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Concluding Remarks by the Chairman
Development of the Evaluation Functions in the Fund
Executive Board Meeting 96/16 - February 26, 1996

There is a general desire in the Executive Board to move ahead with strengthening the Fund's evaluation functions. There are different views on how to proceed and on the costs of the various options discussed today. The cost factor is, of course, a major consideration. I am confident that an independent evaluation unit, of an effective size and quality, could not be accomodated in the current budget. In the spirit of Mr. Clark's suggestion that we walk before we try to run, I have observed that there is a broad willingness to accept as a compromise the pragmatic approach that I have outlined in my Buff statement 95/125, provided we implement it on a trial basis, followed by a review within a reasonably short period. Here, I was attracted by Mr. Petrie's suggestion to complete the review by end-February 1998.

A number of Executive Directors would prefer stronger Board involvement than I envisaged in my statement. Mr. Clark, supported by several speakers, suggested that a small group of Executive Directors be designated to follow the evaluation activities that would be undertaken. As Mr. Kaeser suggested, the Executive Board should decide on the nature and extent of its involvement very soon. Many Executive Directors have emphasized that the involvement of the full Board in the selection of projects and of independent and highly competent evaluators should be ensured. In that connection, Mr. Ismael, Mr. Geethakrishnan and others have emphasized that reports should go to the Executive Board in final form, with no prior review or "doctoring." This would of course be fully in keeping with our present practice.

I would suggest that the Board move rapidly to finalize the few procedural questions which remain to be settled and to decide on the topics for the first evaluation work program. I envisage that this would be done before or, at the latest, on the occasion of the next Work Program discussion. I will have a few suggestions to offer on the evaluation work program.

Finally, I welcome the broad recognition given by speakers of the high quality of the continuing evaluation and review activities undertaken by the staff and by the Executive Board.