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**Statement by Mr. N'Sonde, Mr. Sidi Bouna, Mr. Carvalho da Silveira, and Mr. Olhaye
on Independent Evaluation Office - Working with Partners - IMF Collaboration with the
World Bank on Macro-Structural Issues
(Preliminary)
Executive Board Meeting
November 16, 2020**

We welcome the IEO's thorough evaluation of IMF collaboration with the World Bank on macro-structural issues and take note of the report's key finding that collaboration between both institutions has been "broad, but uneven." While collaboration between the IMF and the World Bank has covered a broad range of issues, it appears to have worked better in areas where joint frameworks have been established, including on debt and the financial sector. However, collaboration with the World Bank on the more recent pilots aimed at strengthening the Fund's analysis of key macro-structural issues, including on gender, inequality, and climate, has been more informal and less effective. We have also noted with concern the lack of evidence that collaboration with the World Bank has improved the value of the Fund's work on macro-structural issues or that it has had a positive impact on the Fund's resources. We welcome the Managing Director's broad agreement with the core messages of the IEO evaluation and note her qualified support on three of the four recommendations, as indicated in the Buff statement.

While the existing joint frameworks between the IMF and the World Bank provide valuable lessons, the approach may not be suited to all macro-structural issues. The Fund should continue to draw lessons from its effective collaboration with the World Bank through joint frameworks and should carefully consider expanding those frameworks to other areas, as they provide clarity on the respective duties and responsibilities of both institutions and minimizes the risk of sending mixed messages to member countries. In this regard, we share the IEO's view that the Fund's work on climate issues could benefit from enhanced collaboration with the World Bank under a new framework, as the issue has gained prominence within both institutions and is an area in which the World Bank has built up considerable expertise that the Fund could draw on. *We wonder whether the Fund would not also benefit from the establishment of a collaborative IMF-World Bank framework on inequality given the emphasis put by both institutions on fostering growth inclusiveness, and*

the importance of social safeguards in achieving the objectives of Fund-supported programs. The IEO's comments would be appreciated. However, the establishment of frameworks need not be generalized to all macro-structural issues, as some of these issues may be better suited to the more flexible approach under the pilots and considering the much larger costs associated with putting in place joint frameworks. Against this backdrop, **we support Recommendation 1**, although we share the Managing Director's concern that the implementation of this recommendation requires the World Bank's acceptance.

The evaluation identifies a number of key constraints to a more effective collaboration with the World Bank which need to be addressed. One of these constraints stems from cultural differences between both institutions, including the preference by IMF staff to seek expertise on macro-structural issues within the Fund rather than reaching out to the World Bank. We therefore encourage Management to strengthen staff incentives to seek collaboration with the World Bank, and **we support Recommendation 2**. We would like to also underscore the importance of carefully assessing the World Bank's constraints to enhancing their own collaboration with the IMF. We also share the analysis that enhanced collaboration between the IMF and the World Bank would benefit from greater knowledge sharing, and **we therefore support Recommendation 3**. However, the specific IEO suggestion to "cross-link knowledge exchange sites and provide reciprocal access to intranets" raises information security risks, as rightly noted by the Managing Director, which will require cautious consideration both internally and jointly with the World Bank to mitigate these risks. It is important to recall that information security risks remain classified as "high" by the 2020 Mid-Year Risk Update report while the external cyber threat landscape has worsened with the pandemic. We fully agree with the IEO's view that the Executive Board should play a key role in the Fund's overall efforts to strengthen collaboration with the World Bank, and **we support Recommendation 4**.