

SU/20/165

November 20, 2020

The Chair's Summing Up
Independent Evaluation Office - Working with Partners –
IMF Collaboration with the World Bank on Macro-Structural Issues
Executive Board Meeting 20/110
November 16, 2020

Executive Directors welcomed the report of the Independent Evaluation Office (IEO) on IMF Collaboration with the World Bank on Macro-Structural Issues. They appreciated the insightful report and the timely recommendations given the forthcoming Comprehensive Surveillance Review and the challenges posed by the pandemic. They welcomed the report's recognition that collaboration between the two institutions has been broad, in the context of their closely connected mandates and shared history, and that the existing umbrella agreements for collaboration are adequate. At the same time, Directors noted the evaluation finding that collaboration has been uneven, which a number of Directors attributed to a range of factors including the Fund's cultural tendency toward self-reliance. Directors emphasized the importance of ensuring effective collaboration as the Fund increasingly engages on a broad range of policy issues including those related to fostering a robust global economic recovery from the pandemic. Against this background, Directors welcomed the Managing Director's broad support for the IEO findings and recommendations, while noting the qualifications in some areas. They emphasized the importance of developing a strategy to further enhance collaboration that would be appropriately tailored to different macro-structural areas. They noted that the ultimate success of collaboration would hinge on reaching understandings with the Bank but urged active engagement with Bank counterparts.

Directors broadly supported Recommendation 1 on developing and agreeing on concrete frameworks to ensure effective collaboration on select macro-structural issues where Fund and Bank roles are complementary and where collaboration is judged to bring the most strategic returns, taking into account the costs of collaboration and the availability of resources. Such frameworks should ensure adequate incentives to collaborate and have strong management and Board support in both the Fund and the Bank. Directors agreed that activities in the climate workstream would be a strong candidate for such a tailored framework. Many Directors also suggested other areas that could be considered for tailored collaboration. Directors underlined the importance of ensuring adequate staff resources for collaboration, including identifying core Fund staff as focal points for external engagement and ensuring sufficient specialist expertise.

Directors broadly concurred with Recommendation 2 to seek to improve internal incentives for staff to collaborate. They stressed that management should emphasize the

importance of collaboration, as well as provide guidance on when and how to engage with the Bank and give better recognition of successful collaboration. Directors noted that the new performance management system is based on a competency-based assessment including clearly defined behavioral competencies in the Fund's Integrated Competency Framework (ICF) that include elements related to collaboration. A number of Directors encouraged enhancing incentives for collaborative behavior under the ICF. Some Directors also considered that there could be merit in fostering staff exchanges at the senior level, which should be discussed within the Fund and with the Bank.

Directors broadly supported Recommendation 3 on improving access to and exchange of information and knowledge across the two institutions. They called for further progress on the ongoing initiative to foster information sharing between the Fund and the Bank. They also emphasized the importance for staff to be able to readily access up-to-date and comprehensive information on appropriate contact persons and experts in the Bank. In this regard, they noted the Managing Director's statement that actions already undertaken—such as establishing a list of first points of contact and strengthening exchanges of views between high-level staff—together with the planned regular sharing of rosters of technical experts across institutions, will help bolster access to and exchange of information. Directors noted the importance of enhancing knowledge sharing. While recognizing the Managing Director's concerns regarding potential information security risks related to the recommendation to cross-link knowledge exchange sites and provide reciprocal access to intranets, Directors suggested exploring practical solutions that could address security, confidentiality, accountability and other concerns. They noted that success would also hinge on reaching understandings with the Bank and on cost considerations.

Directors agreed with Recommendation 4 that the IMF Board's strategic role in facilitating and supporting external collaboration could be strengthened. The Board could consider how to leverage its oversight role, scope to influence staff behavior, and engagement with the Bank Board on collaboration issues. In this context, Directors stressed that early Board engagement on areas for in-depth collaboration will be important. A number of Directors considered that the role of the Board Committee on Liaison with the World Bank and Other International Organizations could be strengthened. Some Directors supported holding joint Fund-Bank Board meetings on relevant issues pertaining to collaboration.

On the whole, Directors emphasized the importance of management leadership in fostering collaboration. Many Directors also suggested creating a high-level joint Fund-Bank committee, which could focus on longer-term strategic issues and help institutionalize collaboration.

In line with established practice, management and staff will give careful consideration to today's discussion in formulating the Management Implementation Plan for Board-endorsed recommendations, including approaches to monitoring progress.