

Overview of Developments in FY2013

During the financial year 2013, the IEO produced two evaluations, *International Reserves: IMF Concerns and Country Perspectives* and *The Role of the IMF as Trusted Advisor*, both of which were discussed by the Executive Board. As part of a pilot project, the IEO prepared two reviews of past IEO evaluations, which are summarized in this report and attached in full as annexes. In addition, the IEO published a volume of self-evaluative papers produced for the conference marking its first ten years.

As tasked by the Executive Board, an expert panel completed the second external evaluation of the IEO in January and submitted a report to the Board, which discussed the findings and recommendations in March 2013.

In addition, the Board agreed to Management Implementation Plans (MIPs) for three evaluations, two of which were discussed by the Board in prior financial years, and approved the Fifth Periodic Monitoring Report on the Status of Implementation Plans in Response to Board-Endorsed IEO Recommendations (PMR).

Looking ahead, the IEO is working on five evaluations, addressing self-assessment in the IMF, IMF forecasts, IMF statistics, the IMF's response to the global financial crisis, and the implementation of big picture issues raised in past evaluations.

The remainder of this chapter reports on the IEO budget and outreach efforts in the financial year. Chapter 2 summarizes the two evaluations and other key IEO outputs produced this year. Chapter 3 reports on the findings and recommendations of the External Evaluation, as well as the Executive Board discussion of the report. Chapter 4 discusses follow-up on IEO evaluations. Chapter 5 addresses ongoing evaluations and the IEO work program.

Budget and Staffing

In FY2013, the IEO expended approximately 86 percent of its authorized budget.¹ The corresponding under-

¹ This figure excludes the 5 percent carry-over of the FY2012 budget. Appendix 1 details the IEO budget and expenditures.

run reflects an intensification of recurring recruitment and retention difficulties experienced by the IEO, as discussed in previous annual reports. Vacancies amounted to almost two staff years over the course of FY2013, a further increase from the previous financial year; higher than budgeted use of contractors offset only a small share of the under-spending on regular staff. Spending on discretionary items, principally on business travel and seminars, also fell short of the budgeted amount.

On April 9, 2013, the Executive Board approved the IEO FY2014 budget proposal of \$5.6 million, consistent with zero real growth over FY2013. This budget, along with a carry-over of unspent funds from FY2013 of up to 10 percent of the FY2013 authorized budget,² will allow the IEO to meet the demands of its FY2014 work program. The FY2014 work program includes work on five evaluations and two special reviews, as detailed in Chapter 5 below. The FY2014 budget will also finance the temporary increase in staffing costs resulting from recent hiring to fill existing vacancies as well as to recruit in advance to replace senior staff expected to depart in the coming year. The IEO also presented indicative budgets for FY2015 and FY2016, based on zero real growth.³

Outreach and Communication Activities

Outreach is critical to achieving the IEO's objectives. It is also an important tool for informing stakeholders about IEO evaluations and thereby increasing their impact. The IEO organized or participated in a number of events in FY2013 to help publicize and encourage

² On a one-time, exceptional basis, the IEO was authorized to carry forward up to 10 percent of its FY2013 budget into FY2014, higher than the 5 percent carry forward in previous years.

³ These indicative budgets were provided for information, rather than for endorsement, pending any changes needed in light of the Executive Board discussion of the *External Evaluation* report, which took place after the budget was approved.

discussion of its work. Some of these external activities are listed in Appendix 2. The IEO also presented several seminars on its evaluations within the IMF. In FY2014, the IEO will consider ways to enhance these efforts, taking into account the recommendations of the recent external evaluation, in particular to help raise the profile of its work within the IMF.

The IEO actively uses its website, along with email communication with subscribers, to publicize its work and to solicit public comments on ongoing initiatives. The website serves as a repository of all IEO publications and was recently updated to include a dedicated page on implementation and monitoring with links to related IMF documents.