



INTRODUCTION

The Independent Evaluation Office (IEO) completed an evaluation of *IMF Involvement in International Trade Policy Issues* in 2009. The evaluation was published at a time when global trade was experiencing a historically unprecedented decline in the wake of the global financial crisis (GFC). This report updates the IEO's 2009 study, covering the period from January 2010 to August 2019, examining the Fund's reaction to the myriad developments that have reshaped the global trade system (GTS) over the last decade.

While global trade tensions and related trade policy developments have intensified during the last three years, the update evaluates and draws conclusions on the Fund's role in trade policy during the whole evaluation period.¹ It highlights an array of emerging trade policy issues since 2009 and their impact on the Fund's engagement in this field.

The update draws on interviews with IMF Executive Directors and their staff, IMF staff, officials in other relevant international organizations, World Trade Organization (WTO) Ambassadors, and international trade experts in academia and think tanks. Documents reviewed include, inter alia, *World Economic Outlooks (WEOs)*, *Regional Economic Outlooks (REOs)*, Article IV reports (AIVs), Selected Issues Papers (SIPs), Working Papers (WPs), Global Policy Agendas, (GPAs) and use of Fund resources (UFR) reports.

The report is organized as follows: Chapter 2 outlines the main findings and recommendations of the 2009 evaluation and summarizes subsequent institutional follow-up. Chapter 3 briefly highlights key developments in international trade and trade policy since 2009. Chapter 4 assesses the IMF's involvement in trade policy since 2009, examining: (i) developments in regard to the mandate and guidance given to staff; (ii) trade issues in Fund surveillance; (iii) trade issues in other Fund activities, including UFR, research, and capacity building; (iv) communication and advocacy; (v) relations with partners working on trade issues; and (vi) institutional issues. Chapter 5 concludes with findings and observations on challenges and opportunities for the IMF going forward.

¹ The report adopts the same trade policy definition and approach as the 2009 evaluation: measures that directly and primarily aim to influence the quantity and/or value of a country's own or its trading partners' imports and exports of goods and services, encompassing traditional instruments, including tariffs, quotas, and export subsidies and taxes; customs administration, preferential trade agreements and domestic "behind-the-border" policies that distort trade. As with the 2009 evaluation, other policies that also affect trade, including exchange controls and multiple exchange rates and policies that affect the domestic impact of trade, for example, on employment and income distribution, while certainly noteworthy, are nevertheless treated as outside the scope of the evaluation.