

## Message from the Acting Director



**T**he Independent Evaluation Office (IEO) was established by the IMF Executive Board in 2001 with a view to increasing transparency and accountability and strengthening the learning culture in the International Monetary Fund. This second *Annual Report* describes the activities of the IEO during its second full year of operation.

The report summarizes the findings and recommendations of two additional completed evaluation projects: on the IMF's experience with Poverty Reduction Strategy Papers and the Poverty Reduction and Growth Facility; and the role of the IMF in Argentina, 1991–2001. A third project, Assessing IMF Technical Assistance, will be submitted to the Executive Board in early 2005. This *Annual Report* also discusses the status of ongoing evaluations: the IMF's Approach to Capital Account Liberalization; the Financial Sector Assessment Program; and IMF Assistance to Jordan. Two additional projects are already on our agenda—evaluations of IMF Multilateral Surveillance and of IMF Structural Conditionality—and draft issues papers will be posted on the IEO website for public comments in early 2005.

We are now beginning the process of identifying potential candidates for the menu from which future IEO work programs will be chosen. A preliminary list of possible topics is described in this *Annual Report*, and we invite comments on these and other potential topics.

The IEO's terms of reference give an exceptional degree of independence, and we have developed procedures, described in this *Annual Report*, to promote high standards of transparency. Conducting effective evaluations would not be possible without the active cooperation of the institution being evaluated, and we would like to record our appreciation for the excellent collaboration we have received from the Executive Board, IMF management, and the staff.

Our experience in the first two full years of operation underscores the vital importance of giving interested external stakeholders an opportunity to interact with the IEO at various stages, including in defining the work program and determining the detailed terms of reference of individual studies. An increasing number of commentators are also taking advantage of the opportunities we provide to submit substantive inputs on items included in the terms of reference of each study. We welcome feedback on both our ongoing work and our future work program, which can be provided through the IEO website ([www.imf.org/ieo](http://www.imf.org/ieo)).

Finally, I and the rest of the IEO staff would like to express our deepest gratitude to Montek Ahluwalia, the first Director of the IEO. Montek resigned at the end of June 2004 in order to take up a cabinet-level position in the Indian government. His contribution as a leader, the combination of intellectual insights and practical experience with policymaking that he brought to the complex task of evaluating the activities of the IMF, as well as his warmth as a friend and colleague are missed by all of us.

The IMF's Executive Board has begun the search for a new Director, with the goal that the person appointed will take up the position as early as possible in 2005.

A handwritten signature in black ink that reads "David Goldsbrough". The signature is fluid and cursive, with the first name "David" being larger and more prominent than the last name.

David Goldsbrough

