



# **BUILDING A BETTER IMF: LESSONS FROM INDEPENDENT EVALUATIONS OF IMF PERFORMANCE**

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# The Central Role of Independent Evaluation Office of IMF

## 1 The global landscape was shifting from time to time

The world economy has undergone enormous change since the IMF was established in July 1945, at the end of the Second World War.

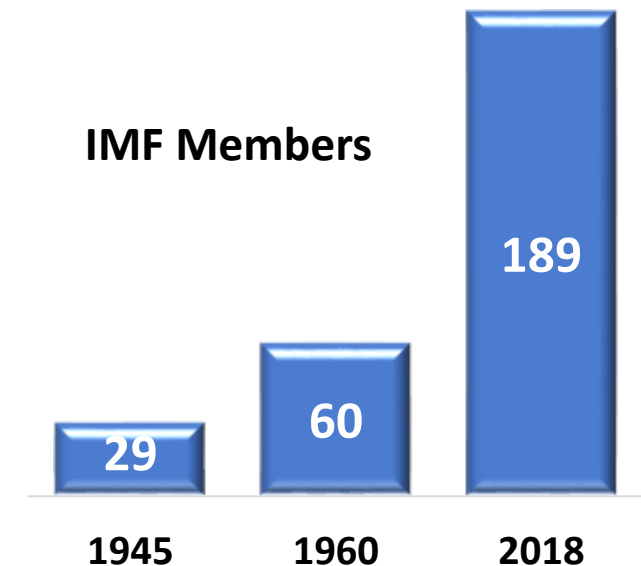
Today, there was shifting of global landscapes, with various risks, such as: trade disputes, monetary policy normalization, rebalancing economy, aging society, and technological change



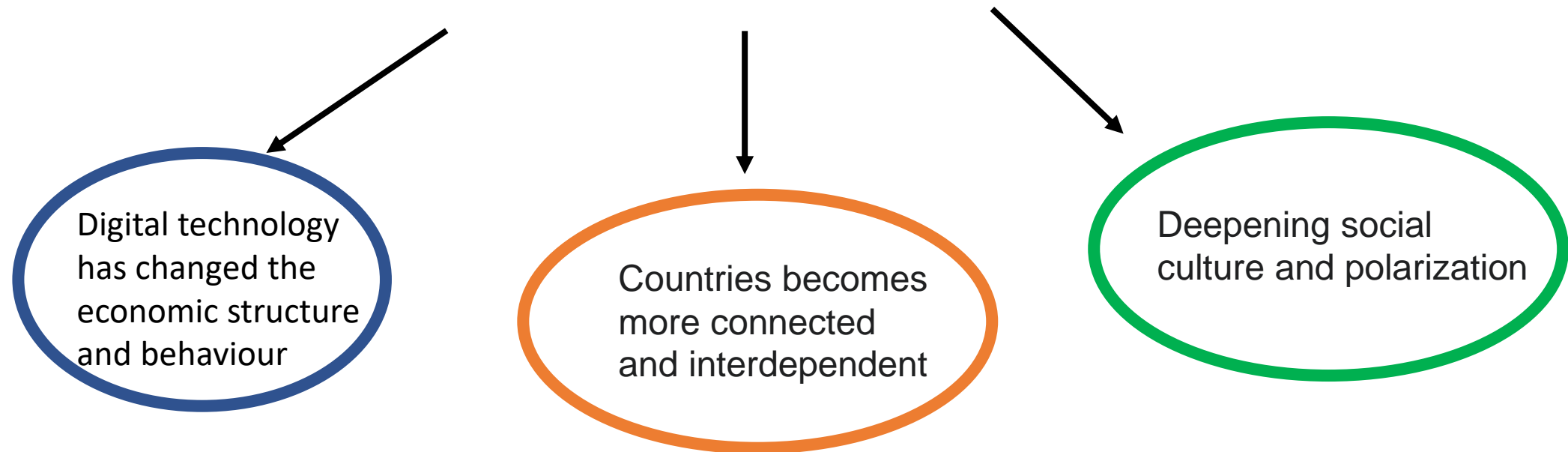
## 2 IMF Membership is growing

IMF have more than six times as many members as when it started out, with diverse memberships.

Numbers of members from developing countries are growing



## The World Is More Complex than It Used to Be *(Harvard Business Reviews, 2011)*



*A traditional approach to maintain monetary system stability will not be effective, therefore Innovative solution and approach to face current challenges are needed*

# A reform on IMF mandates was a necessary...

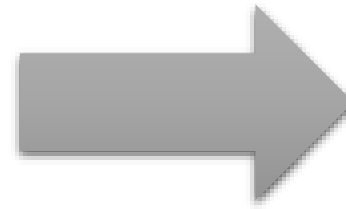
## The IMF Original Mandate

to ensure the stability of the international monetary system (the system of exchange rates and international payments that enables countries to transact with each other)



## The Fund's Mandate was Updated in 2012

to include all macroeconomic and financial sector issues that bear on global stability



### FACTS:

all macroeconomic and financial sector issues will link to **structural reform issues** and **other development issues**



The Independent Evaluation Office (IEO) of IMF plays an important role:

1. To strengthen learning culture at IMF
2. To improve IMF's credibility
3. To enhance understanding among external stakeholders of how the institution works



Therefore, IMF can:

- Quickly integrate **improvements** into its future work
- Quickly **adapt** to the current needs and situation

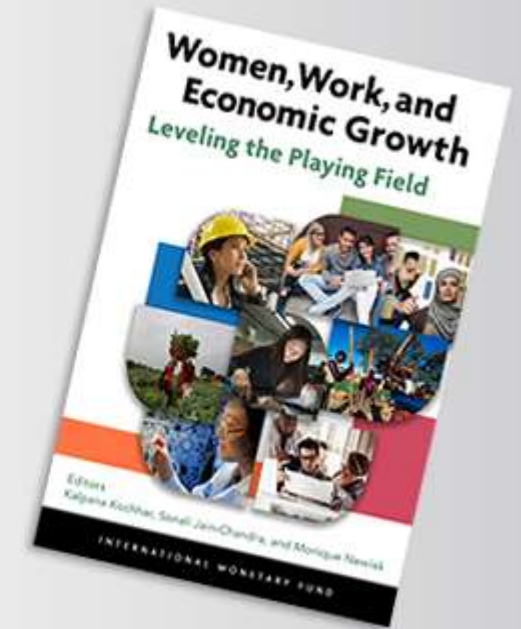
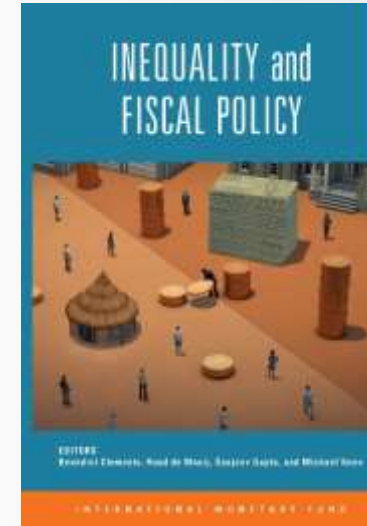




# The Future Opportunities

Over the past decade, the IMF has stepped up its attention to development issues, such as: social protection, inequality, infrastructure, as well as economic growth and structural reforms.

**Reasons:** those issues are recognized to be “macro-critical” for providing macro stability concerns.



## THEREFORE:

There is a need of IMF to **collaborate more closely with development agencies** in partner countries



# IMF Adaptation on Surveillance: *a potential for joint work*

IMF is now touching on **the inclusive growth paradigm**, because it is believed as a new macro-critical areas

Works that have been done by IMF on inclusive growth issues are: inequality, labour markets, gender, etc

*This area is potential for joint-work or collaboration*



**Bappenas is now working on the inclusive economic growth** very closely:

- Addressing issues on inequality
- Developing index on inclusive economic growth
- Improving gender mainstreaming in development agenda

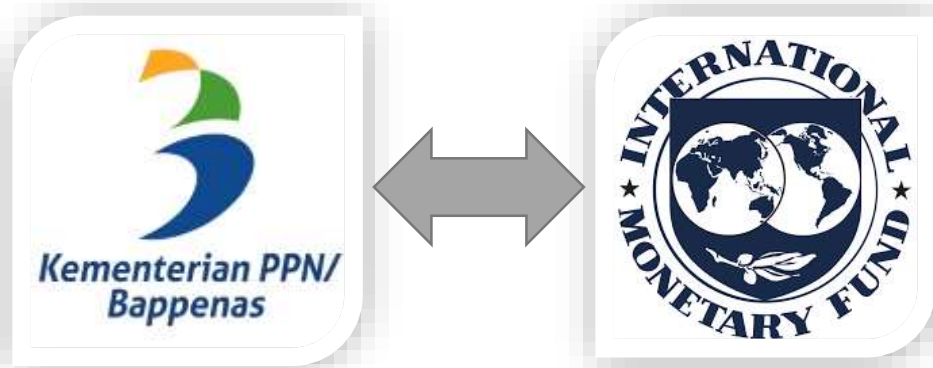


**INDONESIA**  
**AND THE IMF**

Joined IMF: February 21, 1967  
Currency: Rupiah  
Quota (SDR): 4,648.4 Million  
Current relations with the IMF: Annual economic review (Article IV Consultation) and capacity development  
Current financial arrangements: None

## IMF and Indonesia relationship:

- still limited to article IV consultation,
- capacity development cooperation is still focused only with the Central Bank



## Possible Areas of Cooperation:



## Proposed Future Engagement

IMF needs to build a closer engagement with development agencies of the Government of Indonesia

For this, **BAPPENAS** is ready to move forward to have a closer relationship and build collaborative works, in particular for development issues: economic growth and structural reforms, infrastructure, gender, inequality, etc

# Improving cooperation on development with IMF Representative Office is a must ...



## IMF resident representative office needs to:

- Build cooperation and engagement with Ministry of Planning
- Increase the number of employees in IMF Representative office
- Implement the new mandate of IMF, covering a broader area of new-macro critical issues





# Conclusion





1. Independent Evaluation of IMF is still relevant for the future challenges
2. IMF should increase its collaboration with Ministry of Planning, particularly for the development and new-macro critical issues

**THANK YOU**