Evaluation at international institutions: a cornerstone for efficient, credible, and adaptive operations

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Drawing on nearly a decade of European Stability Mechanism (ESM) evaluation experience, this blog explores how crisis resolution bodies and international institutions can leverage evaluations of their work to ensure effective crisis responses. Through continuous adaptive learning and increased transparency, public actors can enhance efficiency and strengthen crisis management, thereby supporting long-term financial stability in an increasingly unpredictable world.

Adaptability is key in a rapidly evolving world

Evaluations are crucial in public institutions where assessing "the bottom line" requires not only looking at profitability but also analysing what results are achieved and how they could be improved. For the ESM and most public sector actors with publicly funded budgets, evaluations serve as a proxy for institutional performance and a driver of continuous learning and improvements.

Evaluation reports help assess complex interventions, and their publication enhances transparency necessary for fostering and maintaining credibility. They also offer evidence-based recommendations to increase operational efficiency and help improve the overall functioning of an institution. In the absence of joint interinstitutional evaluations, a broader dissemination of findings also helps the institutional community identify best practices and find consensus on the modalities and priorities of future cooperation. The ESM contributes to the evaluation community of international institutions by identifying insights on accountability, adaptive learning, impact, and efficiency in crisis resolution.

Based on three evaluation reports and a decade of evaluation experience, the ESM has identified key lessons on stakeholder coordination and risk mitigation, while offering nuanced perspectives on adaptive learning that enhance crisis response frameworks.

Enhancing credibility of crisis interventions

The ESM has conducted two evaluations of its financial support programmes commissioned by its Board of Governors and led by external high-level evaluators. The 2017 evaluation of financial assistance programmes to Ireland, Portugal, Spain, Cyprus,

and Greece[1] acted as a vital check on emergency financing during the euro area crisis, showing that independent reviews are key to instilling trust in rescue efforts. The rigorous evaluation of the programmes for Greece,[2] published in 2020, confirmed that they delivered real outcomes – mitigated sovereign risk and restored financial sector stability – while highlighting improvements needed for sustainable and lasting economic change.

The findings of these two independent evaluations, led respectively by Gertrude Tumpel-Gugerell and Joaquín Almunia, added to the body of evidence presented in the reports by the European Commission and the International Monetary Fund. While each report focused on different countries and contexts, several common findings emerged. The evaluations underscored the importance of national ownership in countries receiving assistance, as programmes with stronger national ownership tend to yield better outcomes.

They also identified challenges in programme design and the need for more tailored lending policies to finance sustainable economic change, including a wider consideration of the programmes' social and distributional implications.[3] Another finding was that improving communication across stakeholders helps manage expectations and fosters reform support. Building institutional capacity in recipient countries was another recurring recommendation. At a time when joint interinstitutional evaluations are challenged by their inherent complexities, consensus among various actors helps build up agreement on best practice.

Ramping up internal capabilities

The ESM recently published a third evaluation report, this time on its analytical capabilities.[4] The report, prepared in close consultation with an independent external advisory group, benchmarks progress reached against the ESM management's plan to enhance macrofiscal and financial analysis. The exercise aimed to help the ESM refine its operations amid geopolitical, climate, or health-related shocks. The report zoomed in on the steps needed to further strengthen governance to improve crisis readiness. Specifically, it highlighted the need to consolidate the ESM's analytical toolkit, further formalise contingency planning, better codify workflows, and enhance cross-departmental coordination.

Minimising gaps between market intelligence, financial monitoring, and macroeconomic monitoring could also improve crisis management and provide actionable advice, even in non-crisis times. Sharing assessments and analytical tools with the broader public could act as an additional quality check and contribute to knowledge exchanges with stakeholders.

Together, these steps foster a culture of continuous learning, a soft but crucial factor ensuring the ESM's foresight, adaptability, and resilience.

Core areas for effective crisis management

The ESM's experience, as reflected in its three evaluation reports, can be translated into four core areas essential for effective crisis management and institutional resilience. These pillars – accountability, adaptive learning, impact focus, and efficiency and governance – capture both the broad lessons and specific findings drawn from the ESM's evaluations. The overview below demonstrates the value of evaluation exercises as a powerful practice not only for assessing past performance but also for guiding ongoing adaptation and institution building.

AREA	LESSON LEARNT	REPORTS' INSIGHTS
Accountability	Transparency in emergency lending	Focus on building trust (2017 & 2020)
Adaptive learning	Strategic response to external shocks	Need for agility and foresight (2025)
Impact focus	Real outcomes beyond loan disbursements	Establish achievable goals by considering the wider context during the implementation of sustainable reforms (2020)
Efficiency and governance	Robust institutional frameworks	Improve processes and governance (2017 & 2025)

The ESM's three evaluation reports offer insights that benefit its own practices and align with findings and recommendations by other international institutions and public actors. Refining analytical systems, enhancing coordination and governance, strategic programme design, and fostering continuous learning can help institutions better anticipate and respond to economic challenges.

Implementing such improvements can lead to more robust policy advice and a more resilient financial system, contributing to global economic stability for years to come.

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Footnotes

[1] European Stability Mechanism, EFSF/ESM Financial Assistance Evaluation Report, June 2017.

[2] European Stability Mechanism, Lessons from Financial Assistance to Greece: Independent evaluation report, June 2020.

[3] For more details see a blogpost by Cato, M., Francova, O. (2025), Available Building resilience through policy: The role of social safety nets | European Stability Mechanism

[4] European Stability Mechanism, Analytical Capability of the ESM – Evaluation Report, May 2025.