



Independent Evaluation Office
of the International Monetary Fund

The Governance of the IMF: An Evaluation

Presentation for the Center for Global Development

Washington, DC

June 11, 2008

Scope of Evaluation

- **IMFC**
- **Board**
- **Management**

Analytical framework: Four dimensions of governance

- Effectiveness
- Efficiency
- Accountability
- Voice

Analytical framework

Standards to assess IMF governance

- Articles of Agreement and other governing documents.
- Governance structures and practices at peer inter-governmental organizations.
- Principles of good governance developed for private and public sector organizations.

Main Data and Information Sources

- Surveys, Workshops, and structured and semi-structures Interviews
 - Monetary and Fiscal Authorities
 - Current and past Board members
 - Senior IMF staff
 - Open-ended questionnaire sent to CSOs.
 - Other Intergovernmental organizations.
- Fifteen background papers:
 - Current governance structure and its historical evolution.
 - Governance standards in other intergovernmental organizations and in private sector corporations.
 - IMF governance arrangements in practice: strategy formulation, operational work, and oversight and accountability.
- Literature Review and Archival Research

Main Findings

- Lack of clarity on the responsibilities of governance bodies, leading to overlaps and gaps.
- Need more active and systematic ministerial-level involvement in setting broad strategic goals and in overseeing performance.
- Board effectiveness is hindered by being too involved in day to day operational issues, and not sufficiently on supervisory functions.
- There is no framework to hold Management accountable for its performance.

Overall Assessment of Fund Governance

- Effectiveness is the strongest feature of the Fund's governance.
- Accountability is the weakest feature
- Voice is also weak.

Main Recommendations

- Clarify roles and responsibilities
- Activate the Council of Ministers as contemplated in the Articles
- Shift the focus of the Board towards supervisory activities such as such as formulating strategy, monitoring policy implementation, and exercising effective oversight over management.
- Set an accountability framework for Management.