
Preface

This book brings together nine papers that examine different aspects of the effectiveness of the IMF's engagement in Greece, Ireland, and Portugal during 2010–14. The crises in these countries, coming so soon after the global financial and economic crisis, and occurring in a common currency area comprising highly integrated economies, posed extraordinary challenges to European and world policymakers. The IMF was called upon to provide financing and technical expertise in the management of these crises. The IMF's role has been a subject of extensive commentary and scrutiny by experts around the world.

The papers were prepared as background material for the IEO evaluation *The IMF and the Crises in Greece, Ireland, and Portugal* (2016), which asked, among other questions, whether the IMF's crisis management was appropriate, given the exceptional circumstances; whether it compromised its best economic judgment because of the way it engaged the euro area; and what it could have done differently to achieve better outcomes. While the IEO used these background papers as inputs to help form judgments on these and other related questions, the views expressed herein remain those of the authors alone and do not necessarily represent those of the IEO, the IMF, or IMF policy.

The evaluation concluded that the Executive Board generally played a limited role in its supervisory function, and that the IMF's overall performance in surveillance and crisis lending was uneven. The IMF's handling of the euro area crisis raised issues of accountability and transparency, which helped create the perception that the IMF treated Europe differently. The IMF Executive Board, when it met to discuss the evaluation report in July 2016, gave full or qualified support to the recommendations drawn from the experience to improve the IMF's governance and operational effectiveness. The Chairman's Summing Up of this discussion, along with the statement by the Managing Director on the evaluation, are included in Part IV of this volume.

In March 2017, the Executive Board approved IMF management's plan to follow up on the IEO evaluation. It reaffirmed its commitment to accountability and transparency, as well as its strong support for the role of the IEO in fostering good governance in the IMF. Under the management implementation plan, IMF staff is preparing Board papers on program design in currency union members and on IMF cooperation with regional financing arrangements. These steps should help alleviate governance and reputational risks for the IMF. Staff is working with the IEO to develop a protocol for information sharing as part of a commitment to ensure smooth collaboration between the IEO and the IMF.

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