

Foreword

The ongoing financial crisis has highlighted the importance of global institutions in addressing the main challenges facing a highly integrated world economy. The International Monetary Fund (IMF) is once again being called upon to help manage the current crisis and to bolster its surveillance activities to help prevent future crises. At the same time, there is an almost universal consensus that for the IMF to be effective, it will have to regain legitimacy by strengthening its governance, including by establishing better accountability frameworks and enhancing representation and voice of its members. These are some of the issues addressed in this volume.

The studies in this compendium were prepared as background for an evaluation of IMF governance by the Independent Evaluation Office of the IMF, which was completed in 2008. This evaluation has become particularly relevant in view of the expanded role that the IMF has been called to play in confronting the global economic and financial crisis. Among its main messages, the evaluation found that the IMF needs more systematic ministerial-level involvement and calls for the activation of a ministerial-level Council to be charged with major Fund decisions and with holding the institution and its management more accountable. The evaluation also recommended a reorientation of the IMF Executive Board towards a supervisory role and away from day-to-day operations. This would enable it to play a more effective role in formulating strategy, in monitoring policy implementation to ensure timely corrective action, and in exercising more effective oversight of management, a better framework for which needs to be in place. These findings and recommendations have also been voiced by the Committee of Eminent Persons on IMF Governance Reform established by the Managing Director of the IMF and chaired by Trevor Manuel, the former South African Minister of Finance. The Committee is composed of nine eminent persons from around the world, including current and former

IMF governors, academics and practitioners. Similar considerations underlie the corresponding sections of the G-20's Global Plan for Recovery and Reform.

It is my hope that the papers presented here will be helpful to policy-makers and scholars studying how to promote reform at the Fund, a task that is now more critical and urgent than ever, and, more generally, will provide useful insights to those examining the governance of other international organizations.

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