

## **Statement by the Managing Director on the Independent Evaluation Office Report on Governance of the IMF: Evaluation Update**

*I would like to thank the Independent Evaluation Office (IEO) for preparing this informative update on the 2008 report on governance of the IMF. It is reassuring that the Update recognizes the significant progress made in improving efficiency, accountability, and voice of the Fund's main governance bodies, and I concur that the remaining challenges need our continued attention and collective commitment.*

Over the last decade—the period covered by the Update—the governance of the IMF has undergone major changes while supporting the institution to rise to the unprecedented challenge of responding to the global financial crisis and subsequent shocks. We have witnessed major quota and voice reforms. These reforms represented a major step forward in modernizing the Fund by better aligning quota shares with members' relative weights in the world economy, making quotas and voting shares more responsive to future changes in economic realities, and increasing voting shares of most emerging market and low-income countries. Other governance reforms that have enhanced efficiency and accountability of Fund's governance bodies included modifications to the practices and procedures of the Executive Board, the move to an all-elected Board, the introduction of Board self-evaluations, the creation of the Office of Risk Management, the adoption of more transparent policies for accessing Fund documents, and revisions to the Managing Director's accountability framework, among others.

I welcome the report's finding that the Fund remains effective in fulfilling its mandate, and the recognition of improvements in voice, efficiency, and accountability of the Fund's main governance bodies. At the same time, the report sees a need for further accountability and voice reforms and highlights the challenges of finding an appropriate balance between achieving a strong and more representative Board and preserving Management's operational latitude and addressing concerns related to the selection of IMF Management. The 15th General Review of Quotas provides an opportunity to make further progress on voice and representation. I look forward to further dialogue on this and other issues with the membership toward an even stronger, more representative, more accountable, effective and efficient Fund.

I would like to conclude by thanking the IEO for this informative report as a good basis to advance our dialogue.