



INTRODUCTION

The IEO completed an evaluation of the governance of the IMF in 2008 when the stability of the international monetary system was under threat and the relevance and legitimacy of the IMF was in question. The 2008 evaluation assessed the extent to which IMF governance was effective and efficient, and whether it provided sufficient accountability and channels for stakeholder voices to be heard. It concluded that effectiveness had been the strongest aspect of the Fund's governance while accountability and voice had been the weakest, with the potential to undermine legitimacy and effectiveness if not addressed.

Since the 2008 evaluation, the Fund has been faced with an unprecedented challenge of responding to the global financial crisis and a series of subsequent shocks. While assisting a number of member countries with tackling balance of payments difficulties, the Fund also played a key role in facilitating policy cooperation among major countries to support global economic recovery and buttress financial stability, although the overall direction was provided by the G20, whose leverage was enhanced by the addition of the Leaders' (i.e., heads of state) track in September 2008. In parallel, various reforms of the Fund's governance arrangements and practices, including quota and voice reforms, were implemented, in part following the recommendations of the 2008 evaluation.

Against this backdrop, this update revisits the findings of the 2008 evaluation to determine their continued relevance and to highlight governance issues that may merit further consideration. The report is informed by a review of IMF documents; data analysis; interviews and surveys of Executive Directors (EDs) and their staff, country authorities, and senior IMF staff; and discussions with outside experts. In keeping with the scope of the 2008 evaluation, the update does not address issues related to the financial structure of the Fund such as the quota formula or borrowed resources. Like other evaluation updates, it also does not make any recommendations.

This report is organized as follows. Chapter 2 summarizes key findings and recommendations of the 2008 evaluation and the immediate follow up. Chapter 3 describes governance developments since the 2008 evaluation. Chapter 4 discusses the current state of the governance arrangements and practices of the Fund's main governance bodies. Chapter 5 concludes with observations on challenges going forward. Appendix 1 provides a list of the 2008 evaluation recommendations and implementation status. Appendix 2 summarizes the follow-up process for the 2008 evaluation. Appendix 3 provides further information on Executive Board operations and activity since 2008.