

**STATEMENT BY THE MANAGING DIRECTOR ON THE REPORT BY  
THE INDEPENDENT EVALUATION OFFICE ON THE EVALUATION OF ASPECTS OF  
IMF CORPORATE GOVERNANCE—INCLUDING THE ROLE OF THE EXECUTIVE BOARD**

**Executive Board Meeting  
May 21, 2008**

1. I very much welcome the IEO report entitled, “Report by the Independent Evaluation Office on the Evaluation of Aspects of IMF Corporate Governance—Including the Role of the Executive Board.”

2. In recent months, significant progress has been made in the reform of the Fund’s governance framework. In particular, the Fund’s Board of Governors has initiated a process that I am confident will realign members’ voting power within the Fund in a manner that enhances the Fund’s effectiveness and legitimacy.

3. The IEO report includes analysis and recommendations covering a wide range of issues beyond quota and voice reform that involve the fundamental institutional framework of the Fund. The staff has circulated comments on selected aspects of the IEO report.

4. The Board discussion of the IEO report should be seen as the beginning of a process of considering governance reforms going beyond the areas covered so far. It provides an excellent opportunity to hear the views of Executive Directors on various aspects of IMF governance. As I have indicated in my informal conversations with Executive Directors, as Managing Director I will aim to learn from the IEO’s report and from the Board’s discussion of its recommendations.

5. On the basis of the discussions on governance being opened by the IEO report, I hope we can develop broadly shared ideas among the membership at large that will enable us to advance further in building a stronger, more modern, and more effective Fund. I plan to announce some initiatives to take the governance reform forward in the coming weeks.