

European Department
Washington DC
June 18, 2012

To Mr. Shaalan, Dean of the IMF Executive Board

Today, I addressed the Executive Board for the last time—because I am leaving the Fund.

Accordingly, I wanted first to formally express my deep appreciation to the Swedish, Israeli, and Danish authorities with whom I have worked recently, as well as all others with whom I have worked earlier, for their extraordinary generosity towards me personally.

But I also wanted to take this opportunity to explain my departure.

After twenty years of service, I am ashamed to have had any association with the Fund at all.

This is not solely because of the incompetence that was partly chronicled by the OIA report into the global crisis and the TSR report on surveillance ahead of the Euro Area crisis. Moreso, it is because the substantive difficulties in these crises, as with others, were identified well in advance but were suppressed here. Given long gestation periods and protracted international decision-making processes to head off both these global challenges, timely sustained warnings were of the essence. So the failure of the Fund to issue them is a failing of the first order, even if such warnings may not have been heeded. The consequences include suffering (and risk of worse to come) for many including Greece, that the second global reserve currency is on the brink, and that the Fund for the past two years has been playing catch-up and reactive roles in the last-ditch efforts to save it.

Further, the proximate factors which produced these failings of IMF surveillance—analytical risk aversion, bilateral priority, and European bias—are, if anything, becoming more deeply entrenched, notwithstanding initiatives which purport to address them. This fact is most clear in regard to appointments for Managing Director which, over the past decade, have all-too-evidently been disastrous. Even the current incumbent is tainted, as neither her gender, integrity, or élan can make up for the fundamental illegitimacy of the selection process. In a hierarchical place like this, the implications of those choices filter directly to others in senior

management, and via the appointments, fixed term contracts, and succession planning of senior staff, they go on to infuse the organization as a whole, overwhelming everything else. A handicapped Fund, subject to those proximate roots of surveillance failure, is what the Executive Board prefers. Would that I had understood twenty years ago that this would be the choice.

There are good salty people here. But this one is moving on. You might want to take care not to lose the others.

Yours Sincerely,



Peter Doyle

cc. Ms. Nemat Shafik
Mr. Stanley Fischer
Mr. Stephan Ingves
Mr. Benny Andersen
Mr. Alex Gibbs
Mr. Eric Meyer
Mr. Amit Friedman
Mr. Martin Holmberg
Mr. Reza Moghadam
Mr. Mark Plant
Mr. Brad McDonald