



**Statement by H.E. President Benjamin W. Mkapa  
Chairman of the Board of the South Centre**

**Selecting the IMF's Next Managing Director in an Open, Transparent, and Merit-Based Process**

Geneva, 6 August 2007 -- The decision of the International Monetary Fund's (IMF) Managing Director, Rodrigo de Rato, to resign in October 2007 opens up an opportunity for change to occur in the selection process for his successor. The opportunity for change in the governance of the Bretton Woods Institutions that was missed by the recently continued practice of selecting the World Bank President on the basis of a nomination by the United States must not be missed by the IMF in its selection of the next IMF Managing Director.

This change should reflect the principles of openness, consensus, transparency, and merit-based selection of the heads of both the World Bank and the IMF.

While the IMF Executive Board's selection procedure announced on 12 July 2007<sup>1</sup> reflects such principles, the issue of whether such principles will be reflected in practice remains hanging in the balance. No one country or group of countries should be considered as having a de facto right to select the new IMF Managing Director. Continuing the past practice in the selection of the IMF Managing Director, in which a group of developed countries have such a de facto right of selection, would be a mockery of both the letter and spirit of the process by leaving the IMF Executive Board with no choice but to appoint such nominee.

The continued legitimacy and relevance of the IMF for developing countries, especially in the context of the institutional challenges that the IMF currently faces, now depends in large part on the extent to which developing countries feel that they have an important role to play in the IMF's governance and in shaping its institutional mandates. Ensuring effective developing country participation in the selection of the next IMF Managing Director – in terms of both nominating and choosing candidates – is a major aspect of this role. An even more important aspect is ensuring that the principles of openness, transparency, and merit-based selection are put into effect in the selection process.

For more information, contact:

Yashpal Tandon  
Executive Director  
South Centre  
Tel: +41 22 7918050  
Fax: +41 22 7988531  
Email: [director@southcentre.org](mailto:director@southcentre.org)

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<sup>1</sup> See <http://www.imf.org/external/np/sec/pr/2007/pr07159.htm>.