## INTERNATIONAL MONETARY FUND





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Dear Alexei and Members of the Board:

As you know, on July 2, 2019, the European Council proposed to nominate me to the position of President of the European Central Bank. I had agonized over this proposal during the previous 48 hours and eventually decided to accept.

Concurrently, I informed the Ethics Committee of the Board of my intention to relinquish my duties as Managing Director of the IMF to avoid actual and the perception of any conflict of interest. The Board accepted the relinquishment of my duties and asked my colleague and friend David Lipton, the First Deputy Managing Director, to be the Acting Managing Director. I know that the Fund is in the best possible hands under his stewardship until a successor has been elected.

Subsequently, after the 4th of July long weekend, the Board and I met in an informal setting on two occasions. With a view to facilitating the transition and allowing for a prompt selection of my successor I offered the following:

I formally submit today my resignation from the position of Managing Director and Chairman of the Board of the IMF. This resignation shall become effective on the 12th of September, the most likely date of my hearing before the Economic Commission of the European Parliament.

During this period of time until September 12th, the relinquishment of my duties announced previously will stay in effect, and I will not speak, write nor make any representation in the name or on behalf of the IMF. I will offer the Acting Managing Director any help that he so requests for appropriate transition purposes.

As I conclude the memorialization of our discussions, I cannot help having very mixed emotions.

On the one hand (!) I am ever so proud of the work that we have achieved together, and of the extraordinarily effective chemistry between the Board, Staff and Management. It

was not always smooth and easy. It was occasionally divided, but it was always civilized and respectful.

I cannot think of any institution where through excellence, conviction, preference for consensus over controversy, and a well-established governance, decisions can be prepared, informed, considered, reviewed, submitted to the international community through your good offices and the care of the staff so that the mission will be accomplished.

From key country financial programs to policy decisions, from major crises engagements to exploring new macro-critical fields, from removing internal silos to setting up an innovation lab and championing inter- and intradepartmental work, from the support to Ebola affected countries to the largest disbursing Fund program in Argentina, from the redefinition of exceptional access to new guidelines to help fight corruption, from our Institutional View on Capital Flows to our commitments to small and fragile states, from climate change mitigation to building resilience to natural disasters, from an integrated surveillance decision to completing the quota increase under the 14th review, from redesigning the composition of the SDR basket to strengthening our capacity to commit financial resources to members in need, from social spending to digital currencies, from women's contribution to economic growth to reducing excessive inequality, from diversity to inclusion, we have collectively responded to the demand of the membership at large, and we have tried to be agile, integrated and member-focused together.

I owe an enormous debt of gratitude to all those who under my leadership have worked for the IMF in whichever capacity and status and at all levels of the organization, from entry level to highest seniority. Thank you to all of you.

You have looked after me, guided me, equipped me, trained me and given me the best advice you had to offer.

I trusted you. You trusted me. It was the best possible professional relationship. I have thoroughly enjoyed it during those eight years and given it my best.

On the other hand (!) I realize that there is no perfect time to go. The work left to be done is challenging and I know that the Board, Staff, and Management will have their hands full.

I hope that the membership will deliver what it has committed to me, i.e., to maintain the resource envelope of the Fund and to commit to a quota realignment under the 16th review. We tried hard, and I very much hope that this will be delivered in short order to secure the capacity of the IMF at the center of the Global Financial Safety Net, to support countries facing difficult balance of payment times.

I also wish I had had time to see through the completion of the comprehensive compensation and benefits review. Much of the work has been well prepared for the decision-making process with the aim to attract and retain the best talents, preserve diversity and inclusion, and respect the security and work life balance of our staff and employees. I very much hope that it will proceed accordingly.

As I finish this letter, I have the consolation that we will see each other again at least twice a year on the occasion of the Spring and Annual Meetings.

I look forward to the prospect of returning to Europe, where I will dedicate myself to my new mission at the European Central Bank, which, not unlike the IMF, highly values intellectual excellence, integrity of research and analysis, independence, and a high commitment to public service. The focus will be more European, deeper in monetary policy and financial stability matters, and the spread and depth in other areas will differ. I will learn from that journey with them as I have learnt from this journey with you.

Chlyade

With much respect, huge gratitude and deep affection.