

London School of Economics

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26th September 2021

Aleksei Mozhin

Dean of the IMF Board

Dear Aleksei,

I hope you are well. I am writing as a good friend of the IMF, and as someone who both knows it well and has worked, over the past four decades, with all the Managing Directors from Jacques de Larosiere onwards.

This note concerns the recent discussions and report around the role of Kristalina Georgieva in relation to the World Bank publication “Doing Business”. Whilst I do not have direct knowledge of the events under examination and discussion, I have highly relevant experience as Chief Economist of the EBRD (1994-1999) and of the World Bank (2000-2003). In both positions I had overall responsibility for data and the kind of indicators contained in “Doing Business”. For example, at the EBRD my group (the Chief Economist’s Office) developed and implemented “Transition Indicators” to help assess progress towards an open market economy in the countries of Eastern Europe and the Former Soviet Union.

I would like to make four key points on the basis of which I would suggest that the IMF Board should have full confidence in Kristalina and in her continued leadership over the coming crucial years.

First, I have known and worked with Kristalina for many years, through her time with the European Commission, the World Bank and the IMF and know her to be a person of utmost integrity, the highest professionalism, the soundest of judgement, and with outstanding analytical talents and skills.

Second, the reliability of the report by Wilmer Hale released earlier this month has come under serious question, in particular as a result of the evidence of Shanta Devarajan the Senior Director in the DEC Department of the World Bank at the relevant time. I have known Shanta for decades, and he is a person of the highest integrity and professionalism and an outstanding economist. His position at the relevant time and his statements about events are crucial in assessing the reliability of the Wilmer Hale report. He was senior in the direct reporting line from Kristalina as CEO to those working on the report. He has stated categorically in the public domain (on Twitter) that “at no point did I feel I was being pressured”. Indeed, he has argued that Kristalina insisted that there should be no “compromising the integrity of Doing Business” and that the report had left out key aspects of his evidence including this remark. His statements after publication of the Wilmer Hale report are of the highest importance and cast serious doubt on the credibility of the report.

Third, the coming few years are of vital importance to the future stability of the world economy and environment. This is as decisive a period as we have seen since the Second World War. The world needs clear, distinguished, and steady leadership. Kristalina has shown that she is outstandingly qualified to give that leadership. Disruption now could be highly damaging. The world profoundly needs Kristalina's leadership in the coming years.

Fourth, as someone who led the creation and implementation of the Transition Indicators at the EBRD and supervised data and indicators at the World Bank, I should like to offer some insights into the nature of these processes. We are trying to measure elements (in Doing Business as in the Transition Indicators) which are inherently difficult to define and to calibrate. Such exercises are of real value, but we must recognise the difficulties and the inevitability of judgements. In carrying out these tasks it is important, indeed necessary, to discuss the measurements and judgements with the countries involved, whilst recognising their desires for "good scores". Thus, we did, correctly so, discuss Transition Indicators with country officials. Often they made arguments which we thought were unfounded but often they made points which were relevant and important. Such discussions do not necessarily imply undue influence; on the contrary they are part of the process. And when any difficulties or disagreements arise it is natural, in some cases, for senior figures to participate in the discussions.

For all these reasons, it should be clear that the Board should have every confidence in the integrity, skills, and judgement of Kristalina Georgieva. The world needs her outstanding leadership at this crucial time.

Please feel free to share this letter with the Board and others, and for transparency, I will put it in the public domain. I write in a personal capacity.

Yours sincerely,



Lord Nicholas Stern, CH, FRS, FBA

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