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## Head of IMF's Europe Department Resigns

By MICHAEL R. CRITTENDEN

WASHINGTON—The head of the International Monetary Fund's European department resigned suddenly on Wednesday, leaving the fund at a critical time as it grapples with the European financial crisis.

The IMF said in a release that Antonio Borges, who has held the post for roughly a year, is leaving for personal reasons. The move comes a month after Mr. Borges drew criticism by floating the idea that the fund could buy sovereign bonds in private markets to help struggling euro-zone economies. He was forced to quickly issue a statement through the IMF headquarters retracting his comments about the idea, which hadn't been backed by the IMF board.

The fund moved quickly to fill his role, with Managing Director Christine Lagarde appointing Reza Moghadam, currently director of the IMF's strategy, policy and review department. Mr. Moghadam has previously held senior positions in the fund's Europe and Asia departments.

Ms. Lagarde, in a statement to the IMF's board, said Mr. Borges "led the European Department during an extremely difficult period for the region's euro-zone members."

The departure of Mr. Borges comes at a sensitive time for the IMF, which has taken a key role in working with European officials to try to stabilize an increasingly shaky euro zone. The European Central Bank on Wednesday was forced to re-enter debt markets to purchase Italian, Spanish, and Portuguese bonds in an effort to drive down yields that have shot up over the last week.

The IMF didn't provide additional details about his decision to leave, but Cornell University economist Eswar Prasad said the move wasn't unexpected.

"There was some concern within the institution that the IMF was not playing a leadership role in Europe," said Mr. Prasad, a former senior IMF official. "Reza is an old hand at the institution and will aggressively push for a more prominent role for the IMF in Europe."

Mr. Borges' comments on IMF bond market intervention had suggested the fund could create a special financing vehicle to buy bonds facing stress in the primary and secondary markets. The suggestion garnered significant financial market attention but IMF headquarters quickly issued a clarification. In the subsequent statement, Mr. Borges said the IMF does "not have any additional requests for support from European members and we are not contemplating any market involvement" with Europe's rescue fund.

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