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July 22, 1992

To: Members of the Committee on Rules for the
1992 Regular Election of Executive Directors

From: The Committee Secretary

Subject: Preparations for Next Meeting of the Committee

The attached memorandum is being circulated at the request of the Chairman as background for the next meeting of the Committee scheduled to take place in the Board Room on Thursday, August 6, 1992 at 4:00 p.m.

Att: (1)

Other Distribution:
Members of the Executive Board
Department Heads



Office Memorandum

July 22, 1992

To: Members of the Committee on Rules for the
1992 Regular Election of Executive Directors

From: G. K. Arora, Chairman

Subject: Preparations for Next Meeting of the Committee

Committee members will have received on July 21, 1992 a Notice and Agenda for the third meeting of the Committee on Rules for the 1992 Regular Election of Executive Directors (Meeting 92/3), which has been tentatively scheduled for Thursday, August 6, 1992, at 4:00 p.m.

Before we meet, I feel obligated to bring to the attention of Committee members certain of my concerns about the implications of any further delay in reaching agreement on a set of draft regulations for the election of Executive Directors.

Some Committee members have already stressed the importance of a timely agreement on election rules to provide a framework within which potential constituencies can begin to form in an orderly fashion, a process that typically gains momentum during the regional and other caucuses that are held ahead of the Annual Meetings. I am particularly concerned that Governors should be given an opportunity to adopt a proposed set of regulations well before these caucuses and that we should make every effort to avoid a scenario in which the regulations might be adopted only at the Annual Meetings themselves. Allowing Governors even minimum time to complete a vote without meeting ahead of the Annual Meetings would require transmittal of the proposed regulations to Governors not later than August 24, 1992. To meet this timetable, the Committee would need to reach agreement by that date on the key elements of the regulations, including the number of Executive Directors to be elected.

A related concern is that if we fail to achieve unanimity within the Committee on the number of Directors to be elected, we put at risk the attainment of the 85 percent majority needed to increase the number of elected Directors above fifteen and to adopt the supplementary regulations we have been charged with recommending. And in the absence of such majority, the election of Executive Directors

would be conducted on the basis of the provisions of Article XII and of Schedule E of the Articles of Agreement, which provide, inter alia, for only 15 elected Directors.

I hope that Committee members will take account of the implications of a failure to reach early agreement (or any agreement) on draft rules for the 1992 election of Executive Directors and will approach the August 6 meeting with a view to achieving a consensus on the key issues before us.