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September 19, 2000

To: Members of the Executive Board

From: The Acting Secretary

**Subject: International Monetary and Financial Committee Meeting—
 September 2000**

Attached for your information are the texts of messages from the Chairman of the International Monetary and Financial Committee regarding the provisional agenda and related arrangements for the Committee's September 2000 meeting as they were dispatched to the Members and Observers of the Committee.

Att: (1)

**Other Distribution:
Department Heads**



CHAIRMAN

INTERNATIONAL MONETARY FUND

International Monetary and Financial Committee of the Board of Governors

September 19, 2000

Dear Colleague:

I am writing with the attached provisional agenda for the Second Meeting of the International Monetary and Financial Committee, which is to be held at 9:00 a.m. on Sunday, September 24, 2000 in the Forum Hall of the Prague Congress Centre. (Attachment I).

The agenda was drawn up in consultation with the Managing Director and has been considered by the Executive Board, and takes account of the preparatory meeting of our Deputies on September 11.

On the order of substantive items for discussion, I suggest we begin our meeting with items 2a and 2b on the agenda, the *World Economic Outlook*. For this item, I have asked the Fund's Economic Counsellor, Mr. Mussa, to introduce the discussion. I have also asked the Chairman of the Financial Stability Forum, Mr. Crockett, to speak on capital market and financial issues. The topics under this heading are quite broad, covering: prospects for and vulnerabilities in the world economy; policies for sustaining global growth; and the outlook for and risks in international capital markets. Accordingly, if we aim to conclude our discussion of this item by 10:45 a.m., our oral interventions will need to be brief and you will no doubt provide more comprehensive comments in your written statements.

Following the WEO discussion, we could turn to item 3 on the agenda – *Strengthening the International Financial System and the Future Role of the Fund—Taking Stock and the Way Forward*. I suggest we begin at 10:45 a.m. with a presentation by the Managing Director on the *IMF of the Future*. I will then look to you for initial reactions to the Managing Director's presentation, but I also propose that we return to this subject over lunch. At 11:30 a.m., we could turn to items 3c and 3d on the agenda – *Enhancing IMF Surveillance and Promoting Stability and Transparency in the Financial Sector*, and *Private Sector Involvement*. I would hope that we could devote about 30 to 45 minutes to each of these items before we adjourn for lunch at 1:00 p.m.

Our lunch will, as usual, provide us an opportunity to discuss matters more informally. As suggested above we could continue our discussion on some of the broader issues under item 3 of the agenda – *Strengthening the International Financial System and the Future Role of the Fund, and the Managing Director's vision for the Fund*. I hope we can have a wide ranging discussion which will enable us to touch on some of those issues which may become

important elements of the Fund's future work programme, including, for example, continued efforts to strengthen the governance and accountability of the Fund, and the Fund's role in guarding against abuse of the global financial system. Lunch will also provide an opportunity to take note of progress made on items 3b and 3e on the agenda – Review of Facilities and Independent Evaluation Office.

I would suggest that we be joined by one Deputy each at 2:45 p.m. for coffee over which we could discuss and agree on the bulk of the communiqué, covering the agenda items discussed thus far, which our Deputies will have prepared.

The afternoon session could begin at about 3:30 p.m. with a discussion of item 4 – *The HIPC Initiative, PRSP process, and Poverty Reduction and Growth Facility*. There will also be a joint meeting of the IMFC and the Development Committee later in the day to discuss progress under the HIPC Initiative and with PRSPs. The Chairman of the Development Committee, Finance Minister Sinha, and I will be writing separately to you, and to Development Committee members, to explain the administrative arrangements for that meeting. I suggest, therefore, that under this item of the IMFC agenda, we concentrate on Fund-specific issues.

This could be followed by a discussion of item 2c – *Countries in Transition—Progress and Prospects After a Decade*. I have asked one of our hosts, Finance Minister Mertlik of the Czech Republic to lead off this discussion. I would expect that we could finish this discussion by about 4:30 p.m., after which we could take up agenda items 5 and 6 – Other Business and approve the remaining section of the Press Communiqué covering the post lunch discussion. The meeting could conclude by about 4:45 p.m., and shortly thereafter, as is customary, the Managing Director and I would host a press conference.

In order to make the meeting more productive and to allow adequate time for preparation of the communiqué, I would be grateful to receive a copy of your statements - in draft or final form - by noon, Thursday, September 21. It would be helpful if your statement covering all agenda items could be submitted to Mr. Anjaria, the IMFC Secretary.

I would expect to circulate a draft of the communiqué no later than the morning of the day before the meeting. I suggest that the drafting group of Deputies meet at 9:00 a.m. on September 24, to give our Deputies sufficient time to prepare the communiqué for our consideration over lunch.

I very much look forward to seeing you in Prague and to an interesting and productive meeting of the International Monetary and Financial Committee where we will be discussing issues of great importance to the functioning of the international financial system and the role of the Fund, including its role in helping the poorest countries.

With best regards,

Gordon Brown

Gordon Brown
Chairman

September 13, 2000

INTERNATIONAL MONETARY FUND

INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

Provisional Agenda

There follows the provisional agenda for the Second Meeting of the International Monetary and Financial Committee, which is to be convened at 9:00 a.m. on Sunday, September 24, 2000, at the Forum Hall of the Prague Congress Centre in Prague, the Czech Republic:

1. Adoption of Agenda
2. World Economic Outlook
 - a. Prospects and Vulnerabilities, and Policies for Sustaining Global Growth
 - b. Capital Markets: Outlook and Risks
 - c. Countries in Transition—Progress and Prospects After A Decade
3. Strengthening the International Financial System and the Future Role of the Fund—Taking Stock and the Way Forward
 - a. The IMF of the Future: Presentation by the Managing Director
 - b. Review of Fund Facilities
 - c. Enhancing IMF Surveillance and Promoting Stability and Transparency in the Financial Sector
 - d. Private Sector Involvement
 - e. Independent Evaluation Office
4. The HIPC Initiative/PRSP Process¹ and the Poverty Reduction and Growth Facility
5. Other Business
6. Press Communiqué

¹ It is expected that a joint meeting of the IMFC and the Development Committee will be convened to consider a joint note by the Managing Director of the IMF and the President of the World Bank on progress under the HIPC Initiative and with PRSPs, and to discuss issues relating to the implementation process of PRSPs.



CHAIRMAN

INTERNATIONAL MONETARY FUND

International Monetary and Financial Committee of the Board of Governors

September 19, 2000

Dear Colleague:

I am writing with the attached provisional agenda for the Second Meeting of the International Financial and Monetary Committee, which is to be held at 9:00 a.m. on Sunday, September 24, 2000 at the Forum Hall of the Prague Congress Centre in Prague.

The morning and afternoon sessions will be held in the Forum Hall. You are invited to attend both sessions.

We will begin our meeting with items 2a and 2b on the agenda, the *World Economic Outlook*. We aim to conclude our discussion of these items by 10:45 a.m.

Following this discussion, we could turn to item 3 on the agenda – *Strengthening the International Financial System and the Future Role of the Fund—Taking Stock and the Way Forward*. I suggest we begin at 10:45 a.m. with a presentation by the Managing Director on the *IMF of the Future*. At 11:30 a.m., we could turn to items 3c and 3d on the agenda – *Enhancing IMF Surveillance and Promoting Stability and Transparency in the Financial Sector*; and *Private Sector Involvement*. I would hope that we could devote about 30 to 45 minutes to each of these items before we adjourn for lunch at 1:00 p.m.

At the luncheon for Members, we will continue our discussion of *The IMF of the Future*, and then turn to items 3b and 3e – *Review of Fund Facilities* and *Independent Evaluation Office*.

The afternoon session could begin at about 3:30 p.m. with a discussion of item 4 – *The HIPC Initiative, PRSP process, and Poverty Reduction and Growth Facility*. This could be followed by a discussion of item 2c – *Countries in Transition—Progress and Prospects After a Decade*. I would expect that we could finish this discussion by about 4:30 p.m., after which we could take up agenda items 5 and 6 – *Other Business* and approve the remaining section of the *Press Communiqué* covering the post lunch discussion. The meeting could conclude by about 4:45 p.m., and shortly thereafter, as is customary, the Managing Director and I would host a press conference.

As agreed for previous meetings, if you wish to make a statement for inclusion in the record, it would be helpful if we could receive a copy of the statement in time to circulate it to Committee Members in advance of the meeting. Statements should be sent to the Secretary of the IMFC, Mr. Anjaria, at the Prague Congress Centre. If time constraints permit, I may be able to accommodate requests for brief interventions on topics of particular interest to you.

I look forward to seeing you in Prague.

With best regards,

A handwritten signature in black ink, appearing to read "Gordon Brown". The script is cursive and somewhat stylized, with the first name "Gordon" and the last name "Brown" clearly distinguishable.

Gordon Brown
Chairman



CHAIRMAN

INTERNATIONAL MONETARY FUND

International Monetary and Financial Committee of the Board of Governors

September 19, 2000

Mr. James D. Wolfensohn
President
World Bank
Washington, D.C.

Dear Jim:

I am writing with the attached provisional agenda for the Second Meeting of the International Financial and Monetary Committee, which is to be held at 9:00 a.m. on Sunday, September 24, 2000 at the Forum Hall of the Prague Congress Centre in Prague.

The morning and afternoon sessions will be held in the Forum Hall. You are invited to attend both sessions.

We will begin our meeting with items 2a and 2b on the agenda, the *World Economic Outlook*. We aim to conclude our discussion of these items by 10:45 a.m.

Following that discussion, we could turn to item 3 on the agenda – *Strengthening the International Financial System and the Future Role of the Fund—Taking Stock and the Way Forward*. I suggest we begin at 10:45 a.m. with a presentation by the Managing Director on the IMF of the Future. At 11:30 a.m., we could turn to items 3c and 3d on the agenda – *Enhancing IMF Surveillance and Promoting Stability and Transparency in the Financial Sector*; and *Private Sector Involvement*. I would hope that we could devote about 30 to 45 minutes to each of these items before we adjourn for lunch at 1:00 p.m.

You are invited to join the Members of the Committee for lunch. Our lunch will, as usual, provide us an opportunity to discuss matters more informally. My suggestion would be to continue our discussion on some of the broader issues under item 3 of the agenda – *Strengthening the International Financial System and the Future Role of the Fund, and the Managing Director's vision for the Fund*. It will enable us to offer the Managing Director some further reactions to his presentation. It will also provide an opportunity to take note of the progress which has been made on items 3b and 3e on the agenda – *Review of Facilities and Independent Evaluation Office*. And it will enable us to touch on some of those issues which may become important elements of the Fund's future work programme, including, for example, continued efforts to strengthen the governance and accountability of the Fund, and the Fund's role in guarding against abuse of the global financial system. I have also suggested to my colleagues that, as on the previous occasion, Ministers, accompanied by one Deputy,

would discuss and agree on the bulk of the communiqué, covering the agenda items discussed thus far. You are, of course, welcome to join us.

The afternoon session could begin at about 3:30 p.m. with a discussion of item 4 – *The HIPC Initiative, PRSP process, and Poverty Reduction and Growth Facility*. As there will also be a joint meeting of the IMFC and the Development Committee later in the day to discuss progress under the HIPC Initiative and with PRSPs, I have suggested that under this item of the IMFC agenda, we concentrate on Fund-specific issues.

This could be followed by a discussion of item 2c – *Countries in Transition—Progress and Prospects After a Decade*. I would expect that we could conclude our discussion of these topics by about 4:30 p.m., after which we could take up the remaining agenda items, namely items 5 and 6 – Other Business and the Press Communiqué. The meeting could conclude by about 4:45 p.m., and shortly thereafter, as is customary, the Managing Director and I would host a press conference.

As agreed for previous meetings, if you wish to make a statement for inclusion in the record, it would be helpful if we could receive a copy of the statement in time to circulate it to Committee Members in advance of the meeting. Statements should be sent to the Secretary of the IMFC, Mr. Anjaria, at the Prague Congress Centre. I will recognize your requests for interventions on topics that are of particular interest to the Bank.

I look forward to seeing you in Prague.

With best regards,

Gordon Brown

Gordon Brown
Chairman



CHAIRMAN

INTERNATIONAL MONETARY FUND

International Monetary and Financial Committee of the Board of Governors

September 19, 2000

Mr. Andrew Crockett
Chairman, Financial Stability Forum and
General Manager
Bank for International Settlements
Basle, Switzerland

Dear Andrew:

I am writing with the attached provisional agenda for the Second Meeting of the International Financial and Monetary Committee, which is to be held at 9:00 a.m. on Sunday, September 24, 2000 at the Forum Hall of the Prague Congress Centre in Prague.

The morning and afternoon sessions will be held in the Forum Hall. You are invited to attend both sessions.

We will begin our meeting with items 2a and 2b on the agenda, the *World Economic Outlook*. This will provide us an opportunity to discuss, among other issues, recent developments in capital markets, particularly trends in portfolio flows and potential risks facing global financial markets. Members of the Committee would be interested in hearing your views on this subject, and I invite you to make a brief intervention, following the presentation by the IMF's Economic Counsellor, Mr. Mussa. We aim to conclude our discussion of these topics by 10:45 a.m.

Following this discussion, we could turn to item 3 on the agenda – *Strengthening the International Financial System and the Future Role of the Fund—Taking Stock and the Way Forward*. I suggest we begin at 10:45 a.m. with a presentation by the Managing Director on *the IMF of the Future*. At 11:30 a.m., we could turn to items 3c and 3d on the agenda – *Enhancing IMF Surveillance and Promoting Stability and Transparency in the Financial Sector*; and *Private Sector Involvement*. I would hope that we could devote about 30 to 45 minutes to each of these items before we adjourn for lunch at 1:00 p.m.

At the luncheon for Members, we will continue our discussion of *The IMF of the Future*, and then turn to items 3b and 3e – *Review of Fund Facilities and Independent Evaluation Office*.

The afternoon session could begin at about 3:30 p.m. with a discussion of item 4 – *The HIPC Initiative, PRSP process, and Poverty Reduction and Growth Facility*. This could be followed by a discussion of item 2c – *Countries in Transition—Progress and Prospects After a Decade*. I would expect that we could conclude our discussion of these topics by about

4:30 p.m., after which we could take up the remaining agenda items, namely items 5 and 6 - *Other Business and the Press Communiqué*. The meeting could conclude by about 4:45 p.m., and shortly thereafter, as is customary, the Managing Director and I would host a press conference.

As agreed for previous meetings, if you wish to make a statement for inclusion in the record, it would be helpful if we could receive a copy of the statement in time to circulate it to Committee Members in advance of the meeting. Statements should be sent to the Secretary of the IMFC, Mr. Anjaria, at the Prague Congress Centre.

I look forward to seeing you in Prague.

With best regards,

Gordon Brown

Gordon Brown
Chairman