

May 21, 2002

To: Members of the Executive Board

From: The Secretary

Subject: **Agenda and Procedures Committee—Summary Record of Meeting 02/3**

Attached for the information of Executive Directors is the summary record of the May 2, 2002 meeting of the Agenda and Procedures Committee.

Att: (1)

Other Distribution:
Department Heads

EB/APC/MTG/02/3

Summary Record
Committee on Agenda and Board Procedures—Meeting 02/3
May 2, 2002—2:30 p.m.

Members present: Mr. Mozhin (Chairman), Mr. Abel (for Mr. Kiekens), Mr. Kelkar, Mr. Yagi, Mr. Zurbrügg (for Mr. Cippà), Mr. Anjaria (Secretary).

Also present: Mr. Alosaimi, Mr. Andersen, Mr. Boitreaud, Mr. Brooke, Mr. Callaghan, Mr. Daïri, Mr. Dohlman, Mr. Junguito, Mr. Kudiwu, Mr. Low, Mr. O’Murchu, Mr. Oyarzábal, Mr. Rustomjee, Mr. Shaalan, Mr. Vittas, Mr. von Kleist, Mr. Wei, Mr. Zoccali.

1. Spring 2002 IMFC Meeting

The Chairman said that it would be useful to have Committee members’ views on the preparations for the Spring 2002 IMFC meeting other than the Board’s substantive work on policy items and the content and structure of the IMFC agenda. The Committee could make a contribution to ensuring that preparations for future IMFC meetings would be appropriate and efficient.

Bunching of Board Meetings

The Chairman considered that bunching of policy items in the period immediately before the IMFC had not allowed sufficient time for consultation with authorities and full Board discussions. For example, there had been no Board discussion on anti-money laundering efforts between the last IMFC meeting in November 2001 and late April 2002, when Directors had been asked to consider the Managing Director’s progress report on the same day that a seminar on the topic was held. Another speaker was concerned that the progress report on the HIPC Initiative and the financing of the PRGF—discussed just before the IMFC Deputies’ meeting—had contained policy issues that had not yet been fully debated by the Board.

Most speakers considered that some bunching problem was inevitable, and that the bunching problem had somewhat improved recently. One speaker observed that because the Fall 2001 IMFC meeting had been held later than usual (in November), there had been less time to prepare and discuss the papers for the Spring 2002 meeting, which may have contributed to bunching. Another speaker observed that bunching had been exacerbated by the attendance of members of management and senior staff at the Monterrey Conference on Financing for Development, in March 2002, which had affected the schedule of Board meetings. The now firmly established practice of excluding stand-alone Article IV discussions in the several weeks before IMFC meetings was helpful. In addition, the timing of Deputies’ meetings meant that policy items were not discussed in the Board in the period between the Deputies’ and Ministers’ meetings.

Suggestions for solving the bunching problem included: (i) discussing recurrent reports on issues like progress under the HIPC Initiative and the PRGF well in advance of the IMFC; (ii) setting the agenda of the subsequent IMFC meeting at the preceding meeting, and expanding the agenda only if absolutely necessary, which would provide staff with a measure of certainty as to the documentation required for the next meeting; and (iii) discontinuing the current practice of reserving Board meetings immediately before the IMFC exclusively for policy items, which might force earlier consideration of such items. With regard to the latter, the Secretary considered that it was important to preserve the principle of informing the IMFC of the Fund's work on the basis of the most recent information and Board deliberations, which reserving the period before the IMFC for policy items ensured.

IMFC Deputies' Meeting

One speaker considered that, for the Deputies' meeting to make a substantive contribution to the IMFC, Board discussions on policy issues should be concluded, along with the relevant summings up or concluding remarks, four to five days before the Deputies' meeting, so that they could be taken fully into account at that meeting. Other speakers felt that the Deputies' meeting had helped the bunching problem, because holding that meeting shortly before the IMFC meant that any bunching occurred well before the IMFC ministerial meeting. A few speakers suggested that the Deputies' meeting take place earlier, to provide more time for Deputies to consult with Members. Holding the Deputies' meeting either earlier or closer to the IMFC would facilitate travel for officials involved in both meetings.

The effectiveness of the Deputies' meeting could be enhanced by focusing the discussion on a single contentious issue for which the Deputies' guidance was required. Also, the Deputies' meeting could helpfully start the work on the IMFC communiqué. In that regard, it was mentioned that the Deputies' meeting had already proved useful in helping to frame the debate for the ministerial meeting and identifying the key items to be included in the communiqué. The Chairman remarked that Directors would have further opportunities to address the value of Deputies' meetings in other forums.

IMFC Communiqué

Several speakers considered that the communiqués were too long. One option was to limit them to broad political guidance on just one page, although reaching an agreement on a short document could be both difficult and time-consuming. In that regard, one reason for the frequent recourse to language agreed for summings up and concluding remarks in the IMFC communiqués was that they were a ready and convenient way of capturing agreement on difficult issues. The Secretary remarked that, while the length of the IMFC communiqué had increased following the Asian crisis in 1997, it had been significantly shortened since then, especially on the occasion of the Fall 2001 IMFC meeting in Ottawa. It was also worth bearing in mind that the IMFC communiqué was exceptional among international meetings pronouncements, as it was a substantive, high-quality document reflecting the views of the international community on a real time basis on how key issues should be taken forward by the Fund.

2. Role of Seminars

Several speakers asked for clarification of the definition of Board seminars, which seemed to be virtually the same as regular Board meetings. The Secretary, drawing on the information provided on the SEC website¹, indicated that the intent of informal seminars was to introduce Directors to a policy issue on which a staff paper was at an early stage of preparation, so as to give Directors an opportunity to provide input on possible different approaches. In contrast, formal seminars were supposed to be held when Directors seemed ready to present preliminary views on a policy issue for the record and to guide the staff's future work. For most formal seminars, staff background documents were provided, gray statements could be circulated, concluding remarks were issued, and formal minutes were prepared. A genuinely informal forum was often useful, and the Secretary suggested that that option should be further addressed.

3. Work Program

The Secretary indicated that the preparation of the semi-annual work program of the Board was more advanced than on previous occasions. Given the large number of items that needed to be considered under each of the headings of the IMFC communiqué, it appeared that the Board's agenda in the period ahead would be heavy. There were currently some 40 policy items that were proposed to be discussed in the 19 weeks left before the Annual Meetings at the end of September, and streamlining would be essential. Nevertheless, as some of the staff papers were only in their initial drafting stage, it was likely that there would be some bunching in July and August.

The meeting concluded at 3:45 p.m.

¹ www-int.imf.org/depts/sec/services/eb/com/2a.htm