

MASTER FILES
ROOM HQ C-525

0422

**IMMEDIATE
ATTENTION**

EBD/99/43

March 11, 1999

To: Members of the Executive Board

From: The Secretary

Subject: **Report on Delayed Completion of Article IV Consultations
and Extension of Approval of Exchange Measures**

Following is the monthly report, for March 1999, notifying Executive Directors of delays in completing Article IV consultations beyond the cycles specified (including grace periods, where applicable), and a decision for one country on the period between the staff's conclusion of Article IV consultation discussions, and the Executive Board's completion of the consultation. There are no cases this month, which require an extension of approval of exchange measures under Article VIII, Sections 2(a), or 3.

A proposed decision appears on page 4. Unless there is an objection from an Executive Director by noon on Tuesday, March 16, 1999, the proposed decision will be deemed approved by the Executive Board, and will be so recorded in the minutes of the next meeting thereafter.

Table 1 lists member countries for which the period for the completion of the next consultation under Article IV has exceeded, or is likely to exceed, the consultation cycle specified at the time of the last consultation (including, where applicable, the three-month grace period). Member countries added to the list for March, or for which a further delay beyond the month of March has become necessary, are highlighted. Footnotes in the table refer to the reasons for the most recent delay in a member's consultation. Specific dates are indicated in those cases where a meeting of the Executive Board has been tentatively scheduled.

Discussions for the 1999 Article IV consultation with **Bhutan** were postponed to late January/early February 1999 in order to overlap and coordinate with economic missions from the World Bank and the Asian Development Bank. Executive Board consideration of the staff report for the 1999 Article IV consultation with Bhutan is expected to take place in the first half of May.

Table 1. Delays In Completing Article IV Consultations

Member	Date Board Completed Last Consultation	Stipulated Date for Completion of Next Consultation	Date by which Next Consultation is Expected to be Completed	Expected Delay in Completion of Consultation (in months) 1/
Iraq	2/29/80
Somalia	11/13/89*	11/13/90	Postponed 2/	...
Liberia	12/22/89*	12/22/90	Postponed 2/	...
Afghanistan, I.S. of	6/12/91*	6/12/92	Postponed 2/	...
Congo, Dem. Rep. of	3/01/96*	3/01/97	Postponed 2/	...
Congo, Rep. of	6/28/96*	6/28/97	Postponed 2/	...
St. Lucia	11/15/96	11/15/98	3/23/99 3/	4
Bhutan	12/6/96	12/6/98	May 1999 4/	4
Iceland	2/10/97	2/10/99	May 1999 3/	4
Denmark	2/24/97	2/24/99	August 1999 3/	6
Netherlands Antilles	3/3/97	3/3/99	June 1999 5/	4
Sierra Leone	5/5/97	5/5/98	September 1999 6/	14
Russian Federation	5/16/97*	5/16/98	April 1999 7/	8
Zimbabwe	5/21/97*	5/21/98	May 1999 8/	9
Suriname	6/4/97	6/4/98	May 1999 3/ 9/	9
Chad	6/13/97*	6/13/98	3/26/99 10/	6
Indonesia	7/9/97*	7/9/98	March 1999 8/	5
Dominican Republic	8/21/97*	8/21/98	June 1999 11/	7
Ukraine	8/25/97*	8/25/98	March 1999 10/	4
Ecuador	9/3/97	9/3/98	June 1999 8/	7
Grenada	10/6/97	10/6/98	3/23/99 12/	3
The Gambia	10/6/97*	10/6/98	April 1999 3/	4
Comoros	10/8/97	10/8/98	July 1999 13/	7
Zambia	10/8/97	10/8/98	March 1999 14/	3
Yemen	10/29/97*	10/29/98	3/23/99 10/	2
Ethiopia	11/21/97*	11/21/98	May 1999 15/	3
St. Vincent	12/3/97	12/3/98	September 1999 3/	7
Antigua and Barbuda	12/3/97	12/3/98	July 1999 6/	5
Lebanon	12/12/97	12/12/98	June 1999 6/	4
Estonia	12/17/97*	12/17/98	May 1999 6/	2
Guyana	12/22/97*	12/22/98	May 1999 8/	2

Source: Policy Development and Review Department.

1/ Beyond the three-month grace period, where applicable.

2/ Postponed or delayed due to the unsettled political or security situation.

3/ Delayed due to staff constraints.

4/ Delayed to coordinate mission timing with the World Bank and the Asian Development Bank.

5/ Delayed at the request of the authorities.

6/ Delayed due to recent elections, change of government, or changes within government.

7/ Delayed due to ongoing discussions.

8/ Delayed due to ongoing discussions on a request for the use of Fund resources, or on a program review.

9/ Delayed due to the heavy agenda of the Executive Board.

10/ Delayed in order to allow time for the completion of prior actions in the context of use of Fund resources.

11/ Delayed in order to reassess the economic situation in the post-emergency environment.

12/ Delayed in order to hold the consultation at the same time as that for St. Lucia.

13/ Delayed due to lack of sufficient data and information.

14/ Delayed to coincide with the authorities' preparation of the annual budget.

15/ Delayed in order to combine consultation discussions with discussions on the use of Fund resources.

* The Executive Board has had a subsequent opportunity to discuss developments in this country on the basis of report on the use of Fund resources, or on overdue financial obligations to the Fund, or on the basis of a staff briefing on recent developments.

Discussions for the Article IV consultation with the **Netherlands Antilles** have been delayed at the authorities' request to allow them more time to develop economic policies following the election of a new government in 1998. Conclusion of the 1999 Article IV consultation is scheduled to take place in early June 1999.

The 1999 Article IV consultation with **Zimbabwe** has been delayed due to ongoing discussions for the first program review under the Stand-By Arrangement. As further delays in completing these discussions are anticipated, it is now the intention to proceed with the Article IV consultation alone. Executive Board consideration of the staff report for the 1999 Article IV consultation with Zimbabwe is expected to take place in May 1999.

Discussions for the 1999 Article IV consultation with **Lebanon** have been delayed due to the change in government in November 1998. A staff visit is scheduled in early-March 1999 to *discuss fiscal developments and prospects in the context of the 1999 budget preparations*, followed by the Article IV consultation discussions in April/May 1999. Executive Board consideration of the staff report for the 1999 Article IV consultation with Lebanon is expected to take place by June 1999.

The 1999 Article IV consultation with **Guyana** has been delayed due to on-going discussions for the midterm review of the first annual arrangement under the Enhanced Structural Adjustment Facility. These discussions were concluded in February 1999 and Executive Board consideration of the combined staff report for the 1999 Article IV consultation and midterm review under the first annual arrangement under the ESAF is expected to take place in May 1999.

Period for Board consideration of Article IV consultations

Executive Board consideration of the staff report for the 1998 Article IV consultation discussions with **Portugal-Macau**¹ has been delayed due to conflicts in the schedule of the Executive Board. Under the procedures for surveillance, the three-month period between the date of conclusion of the consultation discussions and Executive Board completion of the consultation discussions ended on February 25, 1999. However, Executive Board consideration of the staff report for Portugal-Macau has been scheduled for March 25, 1999.

Because the consultation discussions with Portugal-Macau will not be completed within the specified period, the following draft decision is proposed for adoption by the Executive Board:

¹In response to a request by the Portuguese authorities, and with the support of the Chinese authorities, the first Article IV consultation discussions with respect to Macau were held in Macau during November 16-25, 1998.

Proposed Decision

“Notwithstanding the period of three months specified in Procedure II of the document entitled “Surveillance over Exchange Rate Policies”, attached to Decision No. 5392-(77/63), adopted April 29, 1977, as amended, the Executive Board decides that the period for completing the 1998 Article IV Consultation discussions with Portugal in respect of Macau shall be until March 25, 1999.”

Other Distribution:
Department Heads