

EB/APC/Mtg/04/2

July 7, 2004

To: Members of the Executive Board

From: The Secretary

Subject: **Agenda and Procedures Committee—Summary Record of Meeting 04/2**

Attached for the **information** of Executive Directors is a summary record of the June 15, 2004 meeting of the Agenda and Procedures Committee.

Att: (2)

Other Distribution:
Department Heads

Summary Record
Agenda and Procedures Committee (APC)
Meeting 04/2
Tuesday, June 15, 2004—11:30 a.m.

Members present: Mr. Mozhin (Chair), Mr. Misra, Mr. Brooke, Mr. Padoan, Mr. Kitahara, Mr. Anjaria (Secretary)

Also present: Mr. Alazzaz, Mr. Daïri, Mr. Ge, Mr. Gitton, Mr. Kidiwu, Mr. Kremers, Mr. Le Fort, Ms. Lundsager, Mr. Meissner, Mr. Ngumbullu, Mr. Prader, Mr. Portugal, Mr. Reddell, Mr. Sakr, Mr. Schwartz, Mr. Segara, Mr. Solheim, Mr. Vermaeten, Mr. Zurbrügg.

Voluntary Best Practices Guidelines for Choice Between Grays and Oral Statements and on the Character of Grays and Oral Statements

As part of a follow-up from the 2004 Executive Board retreat, the Committee members considered Mr. Kremers's proposals to improve further the efficiency of Board meetings by identifying commonly-agreed voluntary best practices for the use of grays and oral statements, and to consider the options for installing a timer device in the Executive Board room. These proposals comprised two of the four ideas for possible improvement described in Mr. Kremers's memorandum of May 19, 2004.

On the choice between a gray versus an oral statement, speakers generally welcomed the guidelines circulated by Mr. Kremers. Speakers pointed out that the factors that influenced whether to issue a gray or to make an oral intervention differ among Directors' offices and depend heavily on the particular circumstances of a Board item. Accordingly, best practices guidelines should be voluntary and at the discretion of each office.

Several speakers suggested that the purpose of any guidelines should be to improve the efficiency and quality of the Board's work, and not necessarily to reduce time spent in Board sessions. The Board's goal should always be to reach good decisions through an inclusive and fair process, and to allow minority views to be expressed. In this context, these speakers felt that the balance had perhaps shifted toward too few oral statements and too many gray statements, particularly as it was difficult to read a large number of grays in the short time between issuance and the start of Board meetings. On balance, however, it was felt that grays had become a valuable tool for improving the efficiency of Board meetings, especially in cases when Directors wanted their views on record but did not necessarily want to use Board time to express their positions.

With regard to the character of gray statements, the Committee agreed that a summary of key points on the first page was helpful, particularly when grays were more than two pages. Some speakers pointed out that a key points summary was less important in cases where grays were under two pages, and they welcomed the increasing use of shorter gray statements. The Committee generally considered that the other guidelines for grays laid out

in Mr. Kremers's memorandum were appropriate, and asked the Secretary to revise the 2001 guidelines included in the Compendium of Executive Board Work Procedures¹ to take account of the points suggested by Mr. Kremers and in this discussion.

The Committee also welcomed Mr. Kremers's suggestions on oral interventions. Speakers stressed that repetition of points should be avoided. Instead, as described in the Compendium on Executive Board Work Procedures, when a speaker agreed with positions that had already been expressed, he or she should seek to "associate" with those views, rather than repeat the positions. Moreover, in situations where Directors agreed with the staff and the authorities on issues, there might be no need for an oral intervention (or a gray).

One speaker also suggested that time spent in the Board might be reduced if the staff were reminded to limit the length of its responses to questions and comments.

Installation of a Timer Device in the Executive Board Room

The Committee considered whether it would be useful to install a timer on a pilot basis in the Board room in order to raise awareness about the length of interventions. The range of possibilities, including whether the timer should be visible to the speaker only or to everyone in the room, would be investigated by the Secretary's Department, taking into account the experience with such devices in other institutions. The Secretary would report back to the Committee on the feasible options.

Greater Scope For Use of Lapse-of-Time (LOT) Procedures

Speakers suggested that one way to improve the efficiency of the Executive Board might be to broaden the use of LOT procedures. The Secretary confirmed that this had been the thinking in SEC and among some departmental colleagues. Guidelines for use of LOT procedures for completion of program reviews and Article IV consultations already existed, and there would need to be further reflection on how the Board's use of LOT procedures might be expanded.

Summaries of Grays as a Tool For Consensus Building

The Committee briefly exchanged preliminary views on the desirability of selectively using the summaries of grays, prepared by the Secretary's Department for management, as a way for the chair to highlight areas of agreement and disagreement at the beginning of a Board meeting. Under such a scenario, the chair might ask Directors to structure their interventions around the areas in which there were differences of view in order to focus the discussion.

¹ Available on the website at: <http://www-int.imf.org/depts/sec/services/eb/com/comfull.htm>

The Secretary pointed out that such an idea, which might also include making the summaries of grays available to the Offices of Executive Directors, was only preliminary and the modalities for potential implementation would need to be thought through. Speakers expressed a range of views on this possibility. Speakers were divided on the value of distributing the summaries of grays to Executive Directors. Some speakers felt that it might enhance the focus of Board discussions and help build a stronger consensus on controversial points. Others expressed concern that it might distract Board attention from the substance of the discussion to the Secretary's characterization of Directors' views in summary form, which was bound to lose nuances and qualification compared to the original statement.

Next Meeting of the APC

The Chair announced that the APC would meet again on July 20, 2004, to consider two other issues identified by Mr. Kremers: (i) the merits of a two-round order of Board discussions; and (ii) the merits of a more active style for the Executive Board chair.

The Chair proposed to defer for a later date the discussions of two other matters that had been raised: recent experience with the observance of the three-week circulation period for policy papers, and Mr. Misra's memorandum of June 10, 2004 on the format of Board seminars.

The meeting concluded at 1:00 p.m.

Att: (1)



Office Memorandum

To: Agenda and Procedures Committee

May 19, 2004

From: Jeroen J.M. Kremers

Ju 5/19

Subject: **Follow-up Board retreat: Improving the efficiency of Board proceedings**

One of the follow-up projects of the 2004 Executive Board retreat calls for further progress in improving the efficiency of Board proceedings. This memo takes stock of the suggestions made at the retreat, tying them together into a package of practical steps for consideration by the Agenda and Procedures Committee.

General approach

The retreat concluded that steps should be considered in an integrated manner, looking at both grays and oral interventions. Otherwise there is a risk of undesired side-effects (for example, promoting shorter grays might perversely result in increased use of long oral interventions). Furthermore, steps should be of a voluntary nature, given that it remains up to Directors to choose how to intervene in the Board. Nevertheless, the efficient use of Board time is also a public good, and in that regard a light form of commonly agreed practices (with built in a sufficient degree of flexibility for adaptation to particular situations) would be a desirable aim.

Three areas are distinguished where improvements may be considered:

- (i) the choice between gray and oral intervention;
- (ii) the character and handling of the gray; and
- (iii) the character of oral intervention and the handling of the Board meeting.

The choice between gray and oral intervention

This choice is up to the Director. However, it will be very useful to have an exchange of experiences in the Agenda and Procedures Committee, so as to come to a notion of best practice.

As a contribution to such an exchange, the internal guideline of my office is attached in the Appendix. The basic idea of that guideline is to choose the vehicle of intervention as a function of its intended effect (on staff, management and the Board), and, in doing so, to make efficient use of scarce Board time. For example, long and/or technical points should be made through a gray. Oral interventions should be short and focused on no more than a few key points – while staying away from summarizing staff documents. Issues that are not of general interest to the Board as a whole should be taken up with the staff bilaterally.

The character and handling of the gray

A lengthy gray has less negative external effect on others than a lengthy oral intervention. Such a gray can be read diagonally, but a lengthy oral intervention unavoidably carries cost for

the entire Board room. Therefore to make a good gray is in the first place in the interest of the author, who has a strong incentive. An exchange of experiences, in the Agenda and Procedures Committee, will be useful so as to promote best practice.

As a contribution, the Appendix includes the standard layout for a gray in my office. The basic idea of that standard is that a gray could show all the must-read information on the first page, in a box with a limited number of key points. The remainder should be brief too, and substantiate the key points within a few pages of well-structured paragraphs.

The Committee may also wish to discuss the timing of circulation of grays, as well as the pros and cons of the possibility that the Secretary may circulate a summary of grays.

The character of oral intervention and the handling of the Board meeting

The real cost on others and the real scope for improving the efficiency of Board proceedings lie in the conduct of the Board meeting. Two aspects can be distinguished: the oral intervention, and the order of the meeting.

On the *oral intervention*, again it will be useful to have an exchange of views, in the Agenda and Procedures Committee, so as to come to a best practice for role, character and length of oral interventions. As input, the Appendix contains the guideline of my office. The basic idea is that the oral intervention should not be the reading out of a gray (this should have been issued as a gray), but instead should be limited to a few key points – possibly drawing together the general picture emerging from previous grays and oral statements.

The retreat additionally produced the proposal that, in keeping with the voluntary approach, automatic timers be installed in the Board room that start running when a microphone is switched on. These need to be visible only to the speaker, and include a green light shown after *e.g.* 3 minutes and a red light after 5 minutes. The system could also produce, for information of Directors, quarterly statistics of speaking time per chair. A proposal emanating from the retreat is for the Agenda and Procedures Committee to ask the Secretary to have such a timing system installed – not to impose involuntary limits on speaking time but as a means, in keeping with the voluntary approach, to raise awareness and transparency.

Next to the character of the oral intervention, there is the *order of the Board meeting*. The increased use of grays has not yet been translated fully into a balanced order of our meetings. The “rule” that Directors who have issued a gray first get the floor, followed by staff to respond after 8 interventions (grays or oral), often leaves Directors wishing to make their intervention orally in an awkward position. By the time they get the floor, the Directors having issued grays often will have started a second-round discussion and staff will already have started answering questions. It is for the Agenda and Procedures Committee to discuss the order of Board meetings, and consider a more systematic two-round approach as it has evolved in some cases in practice already. In the first round, Directors make their first-round statements – some in a gray and others orally. This, once fully completed, would be followed

by answers from staff. After that there would be second-round discussion. In practice this approach would mean postponing staff's answers and comments from Directors having issued a gray until after finishing the (often brief) speakers' list.

Finally, relevant for the order of the Board meeting is also the style of the chair. At the retreat, some encouraged a more active style so as to improve the efficiency and coherence of Board deliberations. For example, in some meetings the chair could gauge the sense of the meeting and invite Directors to – voluntarily – focus their interventions on possible disagreement with that general sense of the meeting. For such a more pro-active style to materialize, we should discuss the matter in the Agenda and Procedures Committee and possibly produce a set of references for the chair.

The way forward

Thus there seem to be four practical items for the Agenda and Procedures Committee to take up, following up on the Board retreat:

1. Discuss voluntary best practice guidelines for the choice between gray and oral intervention, the character of the gray, and the character of oral intervention.
2. Ask the Secretary to have a timer device installed in the Board room.
3. Discuss the merits of coming to a two-round order of the Board meeting.
4. Discuss the merits of coming to a more active style of the chair (and formulate a set of references for the chair).

The outcome could be incorporated *i.a.* in an update of guidelines drawn up by Directors at earlier stages (specifically, the description of the role of speakers' lists, Buff statements, and gray statements – to be found at Executive Directors' Interventions at Board Meetings-Speakers List, and Buff and Gray Statements; and the guidelines for efficient and effective intervention in Board discussion – see Guidelines for Efficient and Effective Interventions in Board Discussions, both to be found on the Secretary's site).

To: OEDNE All

APPENDIX A

From: Peter Nijssse

Subject: **Intervention and reporting guidelines**

[...]

Format of interventions

i) Gray or oral intervention

Think what you want to accomplish with your intervention: if you have an idea and seek support from other EDs, an early Gray may be best. Others will then have time to think about your suggestion and react to it. If you want to make a long list of points, a Gray may also be good, so as not to use too much Board time. In other cases, however, an oral intervention may be preferable, so as to be able to more directly address Staff, Management and other EDs and stimulate discussion in the Board. Try always to discuss your intervention with relevant staff, so as to check whether you overlooked anything and to make it possible for them to think about a reaction.

ii) Gray

- Keep the Gray short without repeating the Staff, otherwise people will not read them.
- Always mention a small number of key points on top of the Gray, and formulate them in such a way that they are clear and self-contained, raise the attention of the reader and provide an incentive to continue reading.
- If you seek support, be one of the first to issue a Gray and make sure you incorporate this in your planning (make sure the (A)ED has sufficient time to respond). Also, if you seek support, it can be good to call around to colleagues from other offices to draw their attention to your points. Note that if you issue one of the later Grays on a country item, it is unlikely many people will actually read it. If you only make your points for the record, this can be okay, but otherwise you should try to issue an earlier Gray, or make an oral intervention.
- A standard template for a Gray is attached.

iii) Oral intervention

- Keep the oral intervention short: a few speaking points at most. Do *not* read out a long text like a Gray in the Board. If you really have much to say, then issue a Gray or be selective.
- Do *not* repeat the Staff documents or numbers from the report, nor what others have already said (unless you want to emphasize their points): associate yourself with others if functional. If most of your points have been made by others but you still want to be recorded for supporting them, make only a short intervention making additional points and note that you will submit your full statement 'for the record'. If you do so, the record will show your full statement and all your points will be taken into account for making a summing up.
- If you want to influence the discussion, it can be important to be one of the first speakers on the speakers list. If you are one of the later speakers, you can respond to the remarks made by other Directors and tilt the balance. You should then not, however, extensively reiterate points that have already been made by many others.

[...]

DOCUMENT OF INTERNATIONAL MONETARY FUND AND FOR OFFICIAL USE ONLY

The contents of this document are preliminary and subject to change.

GRAY/04/

May 12, 2004

**Statement by Mr. Kremers on xxxxx
(Preliminary)
Executive Board Meeting 04/xxxxx
May 20, 2004**

Key Points

- *Text in italics*
- *Text in italics*
- *Text in italics*

Caption in bold italics – only first letter of first word is capitalized

Indented first paragraph....

Caption in bold italics – only first letter of first word is capitalized

Indented second paragraph....