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COMMITTEE ON RULES FOR THE 1992  
REGULAR ELECTION OF EXECUTIVE DIRECTORS

Meeting 92/4

6:15 p.m., August 31, 1992

G. K. Arora, Chairman

Executive Directors

Che P.

T. C. Dawson

E. A. Evans

R. Filosa

M. Finaish

I. Fridriksson

H. Fukui

J. E. Ismael

A. Kafka

J.-P. Landau

A. Mirakhor

D. Peretz

G. A. Posthumus

C. V. Santos

A. Torres

A. Végh

Alternate Executive Directors

A. A. Al-Tuwaijri

L. E. N. Fernando

Wei B.

J. Jamnik, Temporary

J. Prader

J. Papadakis

A. F. Mohammed

B. Esdar

T. Sirivedhin

J. C. Jaramillo

O. Kabbaj

L. J. Mwananshiku

Z. Trbojevic

R. Marino

A. G. Zoccali

R. S. Franklin, Secretary

S. W. Tenney, Assistant

Also Present

Legal Department: F. P. Gianviti, General Counsel; R. H. Munzberg, Deputy General Counsel. Secretary's Department: L. Van Houtven, Secretary and Counsellor; J. W. Lang, Deputy Secretary; B. R. Hughes, A. Jbili, A. Leipold. Treasurer's Department: D. Williams, Treasurer; R. F. Cippa, O. Roncesvalles. Advisors to Executive Directors: J. M. Abbott, P. Bonzom, M. B. Chatah, B. R. Fulheihan, M. Galán, M. J. Mojarrad, M. Nakagawa, J.-C. Obame, F. A. Quirós. Assistants to Executive Directors: S. Al-Huseini, M. C. Arraes Vinhos, J. H. Brits, Chen M., Deng H., B. Eggl, S. K. Fayyad, K. J. Langdon, W. Laux, G. J. Matthews, F. Moss, E. H. Pedersen, S. Rouai, D. Sparkes, Tin Win.

1. RULES FOR 1992 REGULAR ELECTION - ISSUES FOR CONSIDERATION

The Committee members continued from Committee on Rules for the 1992 Regular Election of Executive Directors Meeting 92/3 (8/6/92) their consideration of a staff paper on issues for consideration (EB/CREED/92/1, 6/16/92). They also had before them a communication from Switzerland (EB/CREED/92/7, 8/24/92) and a memorandum from the Chairman of the G-9 Executive Directors (EB/CREED/92/8, 8/31/92).

The Chairman recalled that, during the previous meeting, he had expressed the hope that a consensus might emerge among Committee members on the number of Executive Directors to be elected at the forthcoming election, so that the Committee would be in a position for the current discussion to agree on a set of draft rules that could be forwarded to the Executive Board for approval and then transmitted to the Board of Governors for a vote by mail prior to the 1992 Annual Meeting. As it was his understanding that Committee members had not yet reached a consensus on that matter, he wondered whether it would be preferable to postpone the current discussion until a consensus was possible.

Mr. Dawson said that he agreed with the Chairman that it would be helpful to allow Committee members a few more days to carefully examine the complex issues currently under consideration. In the light of the delay in putting forward the Committee's recommendations, he wondered what procedures were envisaged with respect to the Board of Governors' vote on the proposed rules for the forthcoming election.

The Secretary responded that the procedure to be followed in obtaining a vote by the Board of Governors would need to be determined once the Committee's recommendations were approved by the Executive Board. As he had indicated at the previous discussion, the interval before the forthcoming election was already short for a vote by mail on an issue that required the approval of a large majority of Governors. Therefore, it might be necessary to include the proposed rules for the election of Executive Directors on the agenda for the 1992 Annual Meeting. If the Board of Governors were to approve the proposed Resolution on the first day of the Annual Meeting--September 22, 1992--the election could still take place as planned on the second day of the Meeting.

Mr. Evans commented that, while it was possible for the Board of Governors to consider the proposed rules of the forthcoming election of Executive Directors on the first day of the 1992 Annual Meeting, that was clearly not the most desirable solution.

During the previous discussion, the Chairman had indicated that the Committee would need to forward its recommendations to the Executive Board no later than August 31, 1992 in order for the Board of Governors to vote on the proposed rules for the election by mail, Mr. Evans recalled. While the Committee might miss that deadline in terms of reaching a consensus, it was

the Executive Board's responsibility to report to the Board of Governors in a timely manner.

Although many Committee members, including most of the Directors representing members of the Group of Seven, had indicated at the previous discussion that the Swiss authorities had an obligation to inform the Fund of their intentions with respect to the formation of future constituencies, the Committee had not agreed to recommend that a Board of 23 Executive Directors should be elected, Mr. Evans noted. Instead, it had signaled to the Swiss authorities an intention to reach agreement on the number of Executive Directors to be elected once it had received the information requested. In light of the communication received from the Swiss authorities on August 24, 1992, the Committee had no choice but to recommend that 24 Executive Directors be elected during the forthcoming election. Moreover, as there was no need for a large majority of Committee members to support such a recommendation, the Committee should report its findings to the Executive Board at the present stage.

Mr. Peretz stated that he agreed with Mr. Evans that the Committee should not unnecessarily delay making its recommendations to the Executive Board. The Executive Board should put forward its report to Governors as soon as the draft rules for the forthcoming election were agreed.

With respect to the voting procedures, he wondered whether it would be feasible for the Executive Board to put forward a proposed Resolution to the Board of Governors for a vote by mail as soon as possible, but leave open the possibility for Governors to vote on the Resolution at the Fund headquarters as they arrived in Washington for the Annual Meeting, Mr. Peretz said.

Mr. Végh recalled that the Board of Governors' vote on the proposed Resolutions on membership for the republics of the former U.S.S.R. had been conducted according to the procedure suggested by Mr. Peretz.

The Secretary observed that any further delay in sending a proposed Resolution to the Board of Governors for a vote by mail would risk failing to achieve a quorum of responses. With respect to the period for voting, it was important to bear in mind that many Governors would begin traveling to Washington on September 9, 1992. Thus, it might not be practical to expect a full response from Governors within a voting period of only one or two weeks. While the Executive Board could submit a proposed Resolution to the Board of Governors at any time, a decision would be needed on whether to ask for a vote by mail or to include the proposed Resolution on the agenda for the Annual Meeting. Although not impossible, it would be difficult to begin a Board of Governors' vote by mail and then to make arrangements for those whose votes had not been received to complete the voting process in person upon their arrival at Fund headquarters for the ministerial meetings.

The Chairman stated that, although the Committee could report its current findings to the Executive Board, it would be far preferable to delay doing so until a consensus was reached, hopefully in the coming days.

Committee members agreed to meet again on September 4, 1992.

APPROVED: April 26, 1993