August 6, 2001
Approval: 8/13/01

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 00/36

2:30 p.m., March 30, 2000

Contents

Executive Board Attendance

S. Fischer, Acting Chairman
E. Aninat, Deputy Managing Director

Executive Directors	**Alternate Executive Directors**
S.M. Al-Turki	A.S. Alosaimi
	A.R. Ismael, Temporary
	J.A. Chelsky, Temporary
	H. Oyarzábal
R.F. Cippà	
B. Esdar	
A.M. Jul	A.G. Zoccali
R. Faini	
K.-T. Hetrakul	
V. Kelkar	A.G. Karunasena
	C. Josz, Temporary
	A.R. Palmason, Temporary
	M. Sobel, Temporary
	G. Bauche
	S. Rouai, Temporary
	J. Mafararikwa, Temporary
A.V. Mozhin	
S. Pickford	
	J.C. Estrella, Temporary
A.S. Shaalan	A.F. Al-Faris
	I.M. Woolford, Temporary
Wei Benhua	
	Y.G. Yakusha
Y. Yoshimura	

A.S. Linde, Acting Secretary
Z. Ahmed, Assistant

Also Present

Asia and Pacific Department: C.M. Towe. External Relations Department: L. Aylward, M.W. Bell. Legal Department: W.E. Holder, Deputy General Counsel; H.W. Krull, H.V. Morais. Monetary and Exchange Affairs Department: W.J. Blaschke, T. Cordella, L. Errico, P.L.C. Hilbers, V. Sundararajan. Policy Development and Review Department: J.T. Boorman, Director; T. Leddy, Deputy Director; A. Banerji, C. Brachet, S. Brown, S. Dodzine, M. Fisher, K.G. Fitchett, P. Gajdeczka, J. Hicklin, D.J.Jones, T. Kanai, N.L. Laframboise, Y.A. Metzgen, M.L. Parkinson. Research Department: B. Chadha, B.J.A. Nystedt, A.K. Swoboda. Secretary's Department: P. Gotur. Western Hemisphere Department: L.A. Cardemil, I.C. Medeiros Pacheco, R.K. Rennhack. Office of the Managing Director: A. Bauer, J.A.P. Clément. Advisors to Executive Directors: S.S. Farid, E.J.P. Houtman, N. Jadhav, M.F. Melhem, W. Merz, Nguyen Q.T., T. Turner-Huggins, M. Yanase, F. Zurbrügg. Assistants to Executive Directors: P.A. Brukoff, I.C. Ioannou, J. Nelmes, K. Ongley, Peh K.H., Siti Mariam Mohd. Yusof, Tong Y., Vongthieres O., A.Y.T. Wong.

1. PROGRESS IN STRENGTHENING THE ARCHITECTURE OF THE INTERNATINAL FINANCIAL SYSTEM—DRAFT REPORT OF ACTING MANAGING DIRECTOR OF THE INTERNATIONAL MONETARY AND FINANCIAL COMMITTEE

The Executive Directors considered the draft report of the Acting Managing Director to the International Monetary and Financial Committee (IMFC) on progress in strengthening the architecture of the international financial system (SM/00/67, 3/27/00).

Mr. Shaalan made the following statement:

> I would like to address a procedural issue that has serious implications for the work of this Board. The important paper we are discussing today reached my office two days ago, on March 28, which is hardly enough time to give it the attention it deserves. This short circulation period is but a reflection of what has been going on in the six weeks prior to the IMFC meeting. This Board cannot be expected to do justice to its work in this kind of an atmosphere.
>
> One problem is the introduction of the Deputies meeting, which has cut the time for discussion of topics to be addressed by the IMFC by about two weeks. I would call on the Chairman of the IMFC to be considerably more selective in calling for a Deputies meeting.
>
> In addition to the extremely short circulation period, the paper had to be prepared before the Board discussion on the third review of the Fund's Data Standards Initiatives and the Financial Sector Assessment Program. Furthermore, the Board has yet to receive the progress report on the assessment of the implementation and observation of international standards and codes that was expected before the Spring Meetings.
>
> Regarding the provisional agenda for the Spring Meetings, particularly the section on surveillance, I would like to ask which Board discussion constituted the basis for the item on the links between surveillance and standards and codes. As I could not recall any discussions since the last Interim Committee meeting on the link between surveillance and standards and codes, I went back to the relevant papers and summings up on these subjects.
>
> Paragraph 10 of the Interim Committee Communiqué of September 26, 1999, states "the Committee encourages the IMF, in cooperation with other standards-setting bodies, to continue to experiment with assessments of members' observance of international standards and codes of good practice and invites the Executive Board to consider whether to integrate such assessments into the surveillance process." That is a clear statement as to what was expected of us.

I have come to the conclusion that this question has not yet been discussed by the Board. I also read the summing up of our discussions on the biennial review of surveillance, which is the only discussion we had on the general issue of surveillance and standards, and could not find any reference to this important question. I would therefore submit that it is premature to place the link between surveillance and standards on the agenda of the Committee at this time. I might add that this would save us much time and effort in reviewing the document before us, as I find that section C on assessing standards in this Report requires major revisions to eliminate the assumed links to surveillance. Section C, entitled Assessing Standards on paragraph 21 states, "To evaluate whether members' institutional structures and policy practices are consistent with economic and financial stability, IMF surveillance needs to take into account the extent to which standards are observed." This statement presumes that the Board has already answered in the affirmative the question of whether to integrate such assessments in the surveillance process, as proposed in the last Interim Committee Communiqué. Of course, this is not the case. An experimental program is being undertaken in collaboration with the World Bank, namely the reports on the observance of standards and codes, but we have yet to review it and decide whether it should be integrated into the surveillance process. Clearly, there are a number of issues that will have to be discussed before we proceed further, including how to deal with core and non-core issues and the resource implications of alternative courses of action.

Another example is in paragraph 25, which states: "Article IV surveillance provides the appropriate framework within which to organize and discuss the implications of assessments with national authorities. . . . The extent of progress made in implementing and observing standards can be reviewed, and the implications for macroeconomic and financial vulnerability can be examined, in the course of consultation discussions." Reviewing the summing up of the last Board discussion on this subject on September 8, 1999, I found nothing that could substantiate the statement in that paragraph. The paragraph additionally talks about standards in general, which raises the issue of whether the staff would be qualified to review the extent of progress made in implementing standards in non-core areas.

There is another example in paragraph 26, which states that, "Linking the monitoring of standards and codes to the IMF's Article IV consultation process . . . will help ensure a continued focus on promoting the implementation and observance of standards." It goes on to say, "Publishing assessments should assist markets in making better-informed lending and investment decisions which should, in turn, encourage greater efforts to implement, and adhere to, standards." These statements suffer from the same flaws as the previous paragraphs; the Board has not reached decisions on these issues.

> Furthermore, on paragraph 13, under transparency and accountability, I would suggest removing from the second sentence the reference to the release of Article IV staff reports. This sentence speaks about the value of the various transparency initiatives already agreed to by the Board, such as on the publication of letters of intent and Chairman's statements. However, the publication of Article IV reports is still to be evaluated upon completion of the pilot project and should therefore be excluded from the sentence.

Mr. Rouai shared Mr. Shaalan's comments regarding the link between surveillance and standards. The only place where he could find reference to that link was in the summing up of the biennial review of surveillance. Even there, the link was not entirely direct.

There was a tendency for the Report to be both a stock taking exercise and a review of progress between the Annual Meetings and the Spring Meetings, Mr. Rouai commented. Was it intended to be primarily a progress report or a stock taking exercise?

Mr. Chelsky remarked that the second sentence of paragraph 13 was factual. The release of Article IV staff reports, regardless of the preliminary nature of the pilot project, provided more information to the public and market participants, and allowed for public scrutiny of the Fund's analytical work. The fact that it was done in the context of a pilot project did not change that.

Mr. Pickford noted that, on the Article IV publication point, paragraph 14 explicitly referred to the pilot project for the voluntary release of Article IV staff reports. As Mr. Chelsky had pointed out, such a release provided more information to public and market participants, although it was still necessary to review that pilot project and decide whether to continue publication. However, it was not correct to suggest that it was misleading.

On the issue of surveillance and codes and standards, the Report appeared to be a fair reflection of the position the Board had reached in the summing up as he understood it, Mr. Pickford remarked.

Mr. Shaalan disagreed with Mr. Chelsky's point on paragraph 13. The Board had agreed on the release of Article IV staff reports, Public Information Notices, and various program documents, and the fact that the Chairman's statements should provide more information, but Article IV staff reports did not belong in that category of items.

The Interim Committee Communiqué of September 26, 1999, clearly stated that the Committee invited the Executive Board to consider whether to integrate assessments of standards and codes into the surveillance process, Mr. Shaalan noted. The Board had yet to consider that.

Mr. Esdar proposed a new formulation for paragraph 13 to cover the points of Messrs. Pickford and Chelsky, but at the same time address Mr. Shaalan's concerns. There could be a sentence saying that if information was released, it would have the effect of increasing the public's knowledge. The first sentence would describe the transparency policy. Then there would be a point saying that the release of Article IV staff reports, which was still in the pilot phase, was an instrument in that regard. The paragraph, as currently written, was somewhat redundant.

Mr. Bauche suggested that the sentence say “the release of Article IV staff reports, currently under a pilot phase,” to indicate that it was still under development.

The paragraph related to the EFF was short and abrupt, in the interest of being concise, Mr. Bauche noted. However, mentioning that there were a number of views on the appropriateness of the EFF did not appear to fit what was stated in the summing up, which was that most Directors agreed that there continued to be an important role for the EFF and that it should be retained. The language in the EFF should be rewritten using more balanced wording to reflect the summing up on that issue.

The Director of the Policy Development and Review Department noted that the discussion of the Fund conducting transparency reports had been going on since the middle of 1998, owing to the report of the Working Group of the G-22. That issue had been taken forward because of the momentum given to it by the G-22. There was a sense, which was reflected in the various documents, that there was a legitimate function for the Fund to assess observance with international standards and codes under the Article IV surveillance mandate. That point had been recognized in the summing up of the March 1999 discussion of standards and codes. In addition, the umbrella papers prepared for the 1999 Spring Meetings mentioned transparency reports, noting that they were an outgrowth of the Fund’s surveillance responsibilities and capacity. The summing up from the meeting of September 8, 1999, talked about the fact that the transparency reports had been transformed into ROSCs, which would be incorporated more into the surveillance process. Similarly, the Interim Committee at the Spring Meetings in 1999 had talked about the Fund producing transparency reports on a trial basis, as part of its surveillance function. Most outside groups had supported the Fund’s work in the area of surveillance. Nevertheless, Mr. Shaalan was correct about the need for a more definitive statement.

Mr. Shaalan remarked that he was not questioning the legitimate function of the Fund in addressing the issue of codes and standards, but was instead pointing out that the process was not in accord with the Interim Committee Communiqué of September 1999.

There was a need to assess experiments that were currently ongoing, Mr. Shaalan stated. It was necessary to discuss the resource implications and to decide how to integrate the assessments on codes and standards, as called for by the Interim Committee.

The Director of the Policy Development and Review Department said that Directors had broadly agreed that Fund surveillance would be the central mechanism through which much of the work on strengthening the international financial architecture would come together.

Mr. Kelkar agreed with Mr. Shaalan’s viewpoint. The discussion in September 1999 had concluded that long-term surveillance should include a discussion of different codes prepared under the aegis of the Fund, although it was also agreed that such codes were voluntary. The Fund did not have adequate experience in that area, and the matter was still in the early stages, and the information would on the Fund's experience to that point would need to be evaluated. However, paragraph 26 suggested that the Board had already arrived at a decision on that, and it was important to be more careful in drawing that link.

Mr. Yoshimura remarked that Mr. Shaalan had a relevant point. Although the Board had had considerable discussion on the subject, and was moving toward recognizing that important link, it had still not had an explicit discussion. Perhaps a sentence could be added saying that the issue would be further discussed by the Board.

Mr. Esdar shared Mr. Yoshimura's viewpoint. The second sentence in paragraph 24 could say that, while there was general agreement that standards had to be an important element of Fund surveillance, some details had to be further discussed. There would be a caveat that ongoing discussion was necessary to discuss implementation, and some examples could be given. That would imply that the general agreement that surveillance was the right vehicle for assessment, but there were still some questions outstanding with regard to budgetary consequences.

The Acting Chairman suggested that some of Mr. Shaalan's concerns could be addressed if the staff noted in the Report those areas where there were still ongoing experiments in the area of surveillance, as distinct from those where the Board had already made decisions, for example regarding PINs and letters of intent. The publication of Article IV staff reports, the financial sector assessments, and the ROSCs would be referred to as pilot projects that would be evaluated by end-2000 with regard to resource implications.

The Director of the Policy Development and Review Department responded that the staff would come back with a major review of the third wave of experimentation with the ROSCs before the Annual Meetings.

Mr. Shaalan noted that in the March 10, 2000 meeting on Fund surveillance, Directors had acknowledged that any changes in the practice of surveillance would have to be evaluated in the context of the evolution of the role of the Fund in the international financial system.

Mr. Kelkar remarked that the staff should consider and incorporate in the paper the point that the observance of standards and codes was voluntary and experimental, and had to take into account the interest of all countries.

Mr. Pickford commented that the issue was whether the Board had taken a decision on the linkage between surveillance and codes and standards. The statement on that from the discussion on surveillance had been explicit; it said that Directors broadly agreed that Fund surveillance would be the central mechanism through which the results of much of the work on strengthening the international financial architecture would come together. The summing up of that discussion also noted the complex agenda of initiatives designed to strengthen the architecture. It might therefore be appropriate to add the word "broadly" or "generally", but the statement at the beginning of paragraph 25 in the Report, which said that Article IV surveillance provided the appropriate framework within which to organize and discuss the implications of assessments with national authorities, was entirely consistent with the Board discussion on surveillance. He would be reluctant to make the sort of changes that Mr. Shaalan was suggesting.

Mr. Rouai noted that the next part of the sentence said that the Board had observed that the modality for bringing the outcome of the various initiatives under way into surveillance remained to be identified.

The Director of the Policy Development and Review Department remarked that Mr. Rouai had made an important point, because the statement referred to the modalities of how to bring the outcome of the various initiatives under way into surveillance. It was not challenging to the basic proposition that that was part of the Fund's work on surveillance.

The Acting Chairman concurred that it was important to note that some of the procedures were still experimental. That point could be included in the last sentence of paragraph 13, which said that "these benefits must be balanced against the IMF's role as a confidential policy advisor." It could be noted that that was one of the key considerations behind making the program experimental. There appeared to be considerable support for the view that the Article IV process was an appropriate place for examining progress in the implementation of standards, taking into account their voluntary nature and the fact that modalities were still to be determined.

Management had taken into account the comments made by Mr. Shaalan and the support of others and the Report would be rewritten to reflect them, the Acting Chairman stated.

Mr. Josz noted that the Report usually dealt with issues that had been discussed by the Board, and he would prefer if Box 4 and Box 5, the recommendations of the Financial Stability Forum, could be added as an appendix. Including the boxes in the body of the Report gave the impression that those matters had been discussed in the Board, which was not the case.

Mr. Houtman supported Mr. Josz's view. There was too much information on the FSF Working Groups and other fora in the Report. A short reference to their recommendations, specifically those made to the Fund, would be useful.

Mr. Woolford said that the Report was both a stock taking exercise and a review of progress between the Annual Meetings and the Spring Meetings. The final table showed how far the Board had advanced on issues. On the FSF, the solution proposed by the staff to clearly point out where issues were at the pilot stage was appropriate. Mr. Houtman was correct that the two Boxes should be included in an appendix. Although the papers on the FSF had been distributed, many Directors had not read them, thus they should be clearly separated from regular Fund business.

The Acting Chairman stated that Mr. Woolford suggestion's appeared to be acceptable. Paragraph 33 could refer to the boxes in the appendices.

Mr. Chelsky noted that the Executive Board would return to the contents of paragraph 12 and other issues in follow-up discussions later that year. It would be useful if explicit reference could be made to the stock taking that would be done vis-à-vis the recommendations of the final evaluation of surveillance 12 months after the Board discussion.

The Director of the Policy Development and Review Department replied that there could be a general reference saying that the Executive Board would return to that and other issues, and perhaps including the issues that had arisen in the context of the external evaluation and the biennial review.

Mr. Houtman commented that paragraph 18 should include a few qualifying remarks, as compliance with standards should not lead to a false sense of security. The same applied to section C on page 8, which suggested that the observance of standards allowed one to evaluate whether institutional structures and policy practices were consistent with economic and financial stability. That went too far and placed too much of an emphasis on standards.

The staff representative from the Policy Development and Review Department agreed with Mr. Houtman. That language had been used in the past, but it was possible to reflect that the observance of standards made an important contribution to the issue.

The Acting Chairman remarked that it was appropriate to use caution. Mr. Kelkar's emphasis on the voluntary nature of the codes should also be inserted.

Mr. Sobel considered that the language on self-assessment was overly positive. In some of the FSF discussions, the task force had concluded that self-assessments were insufficient and should be complemented by external assessments to add credibility and rigor.

While publication of ROSCs was voluntary, few ROSCs had not been published, Mr. Sobel observed. What was the general understanding on the transparency of ROSCs?

The staff representative from the Policy Development and Review Department replied that almost every ROSC module produced on a stand-alone basis had been published. Only one or two had not. Of the ROSC modules that had been produced in the context of FSAPs, none had yet been published. There had been about 50 modules published for about 15 countries, which included a mix of industrial, emerging market, and developing countries, and there were another 60 modules in preparation for about 18 countries, most of which the staff hoped would be finalized by the time it prepared the next paper on standards, which was expected to be completed in summer 2000.

Mr. Pickford noted that the second bullet on page 16 talked about a compact set of results for sovereign debt management. What was the intended timing on that? The Fund and the Bank had been asked to produce a set of principles by the Spring Meetings. However, the language did not necessarily express the speed with which the staff was expected to produce the paper on sovereign debt management. The wording of the bullet made it sound as if that paper was part of a long process, as opposed to being one of the more important outputs, which was the sense from the last Interim Committee meeting.

Mr. Sobel agreed that the Board had expected to get a paper on that matter by the Spring Meetings. Perhaps it would be helpful to change the language in that bullet to include a much more expedited time frame, such as “at least before the Annual Meetings.”

The Acting Chairman confirmed that it would be helpful to include a deadline, perhaps by the Annual Meetings.

Mr. Sobel remarked that the language on macroprudential indicators (MPIs) could be more positive. The Board considered it premature to include MPIs in the SDDS, although it did view the work on MPIs as extremely important. Many Directors, according to the summing up, felt that some set of MPIs could be disseminated, including through the SDDS, and active work was under way. The staff was to return to the Board before the Annual Meetings with a progress report and a set of indicators that could be disseminated more readily.

The Acting Chairman responded that it would be necessary to check the record on Mr. Sobel’s point. He had not thought that the work was particularly advanced or of particular urgency.

Box 6 should include some reference to the success of very hard exchange rate pegs, the Acting Chairman noted.

Mr. Sobel noted that paragraph 42 said that requirements for credible pegs had become more stringent. If the requirements for a credible peg were exacting, should that not be brought out as a separate bullet, with some reference to the trinity argument, explaining why that was the case? The Report should make the point that maintaining a fixed exchange rate along with discretionary monetary policy was exacting, and note why.

The Acting Chairman suggested that that could be done either in paragraph 42 or in the first sentence of Box 6, as it was the underlying analytical point.

Mr. Pickford said that he had some trouble understanding what was meant by the fourth bullet in Box 6. There was no implication that the neglect was being referred to was benign. The bullet appeared to say that one should not ignore what was happening to the exchange rate, thus it might be prudent to do something to smooth fluctuations. On the other hand, it was good to have fluctuations. It was thus unclear what message was coming out of that point. Perhaps that issue should be examined on a case-by-case basis.

The staff representative from the Policy Development and Review Department said that the issue was related to the second bullet point about excessive volatility. He had the impression that some Directors would like to see some reference in the second bullet point, where it said, “other countries would need to adapt to a global environment of exchange rate variability,” to the September 21, 1999 summing up, which said that excessive volatility could have costs for small countries. That fit with the point that Mr. Pickford had raised with respect to the fourth bullet.

Mr. Faini suggested that, on the effectiveness of domestic monetary policy or intervention in exchange rate markets for small, open economies, which could be quite limited, it would be useful to circumscribe the dilemma that Mr. Pickford was pointing out, to state that monetary policy was not effective to stem the problem.

Mr. Esdar remarked that it might be appropriate to use domestic monetary intervention policies to limit erratic exchange rate fluctuations, without undermining the objectives of monetary policy.

The Acting Chairman said that the Board needed to reflect further on that issue.

The point on nominal anchors should be included, but it was not clear that monetary policy was effective in such situations, the Acting Chairman commented. If one were trying to affect inflation, which appeared to be the point of a nominal anchor, then it might well be effective in such economies.

Mr. Woolford agreed with Mr. Faini. The theme underlying the discussion had been the effectiveness of the intervention and its impact on monetary policy.

The use of the term “benign neglect” was misleading, Mr. Woolford continued. On that point, the Board had talked about intervention and the neglect of the exchange rate, and Mr. Yoshimura had correctly pointed out that authorities sometimes did intervene.

Mr. Pickford remarked that while the Acting Chairman had recently enjoined the Board not to underestimate the degree of progress and agreement it had managed to reach on private sector involvement (PSI), that section of the Report appeared to emphasize problems and disagreements. For example, the first part of paragraph 50 talked about the framework constituting a useful start, but it raised several problems and noted that difficult analytical judgments were required to make the framework operational. Although the wording should reflect the summing up, it might give a misleading impression about whether the Board had actually advanced the discussion, which it had. The staff should examine that section to see if it gave a fair reflection of the balance of the discussion and the progress made in the past six months. One of the more positive aspects of the PSI discussion was the degree of agreement about conclusions coming out of the examples to date, and it would be good if more of that sense could be included.

The Acting Chairman agreed that subtle changes should be made to that section. It could say, for example, that “Executive Directors consider that the framework is a useful start,” and then continue.

Ms. Jul noted that in paragraph 45, under the discussion of private sector involvement, a point was made on the exchange rate in crisis situations. It was important and relevant to include the private sector in preventive rather than ex post solutions, and a reference to that should be added.

The Acting Chairman replied that a reference to the strong emphasis on active debt management, in more general circumstances, would be included, either in paragraph 45 or elsewhere.

Mr. Houtman supported Mr. Pickford's viewpoint. The Report was an exact reproduction of the summing up. Although it was appropriate to present it to Ministers, its publication could cause confusion and the issue of publication should therefore be reexamined.

Mr. Chelsky cautioned that, while it was always a good idea to put matters in a positive light, especially on conceptual issues, it would not contribute much to resolving some of the PSI issues if one made it seem as if the Board had made more progress on the operational side than it actually had.

Mr. Palmason commented that, while he welcomed the staff's statement that the Fund's thinking on PSI was accepted by the private sector, that was not the sense he had received from the paper and the discussion.

The Director of the Policy Development and Review Department said that the staff had come to the conclusion that matters had worked better in the area of PSI with certain countries than was previously expected. There had also been a constructive dialogue with private sector representatives about the realities of some of the issues.

The Acting Chairman commented that it was important to revisit the issue and, while not wanting to be overly enthusiastic, show that something had actually been achieved and was being achieved, although questions remained. Whatever solution the Board arrived at, some in the private sector would find a way to circumvent the guidelines, but there had definitely been some serious work on that issue.

Mr. Sobel remarked that his authorities recognized that the text of paragraph 50 was drawn from the summing up and reflected efforts to allude to material in the staff paper that would not be published. However, by removing the reference to the summing up as the source of the propositions and playing down the preliminary nature of the discussion, the text could be construed as raising the profile of the work in progress and the relationship between the financing gap and the extent of the PSI. Those factors, taken together, could obscure the differences among Directors on the size issue, and the section would need to avoid the impression that those propositions constituted a new framework endorsed by the Board.

The Director of the Policy Development and Review Department said that paragraph 50 could reflect the points that Mr. Sobel was making by using the framework suggested and saying "in conjunction with the principles elaborated before," which would reflect the summing up.

The Acting Chairman suggested that the staff take a careful look at the summing up on PSI to see whether, maintaining the spirit of the summing up, modifications could be made in the areas requested by Directors.

Mr. Rouai stated that the first part of paragraph 60 should reflect the thrust of the Board discussion. The second sentence emphasized discouraging the use of Fund resources. In the Board discussion, a minority of Directors, as noted in the summing up, did not feel the use of Fund resources by members with access to capital markets was a source of concern. There was little evidence that members were substituting financing from the Fund with borrowing from financial markets. There should therefore be some balance in that paragraph.

Mr. Esdar remarked that the same was true of the CCL. The summing up suggested that the lack of interest reflected the relative calm of financial markets. He proposed that the Report say that it might be appropriate to change the design of the CCL, and that the last half sentence be eliminated.

The Acting Chairman said that the record would be checked to see precisely what had been said on the CCL. The Box appeared to be accurate.

The Deputy Director of the Monetary and Exchange Affairs Department said that the paper on the public debt management guidelines, which was on the Board's work program, should be available to the Board in early July, well before the Annual Meetings.

The Acting Chairman wondered whether the Board would be willing to recommend that the IMFC publish the Report, together with a summary statement by the Acting Managing Director, after the IMFC meetings on April 16.

Mr. Pickford supported publication.

Mr. Sobel asked whether there would be a separate report on safeguarding the use of the Fund's resources and misreporting. That was an integral feature of the work and role of the Fund, and it could be argued that it should have been in the Report.

The Acting Chairman confirmed that there would be a separate report on those issues.

DECISION TAKEN SINCE PREVIOUS BOARD MEETING

The following decision was adopted by the Executive Board without meeting in the period between EBM/00/35 (3/29/00) and EBM/00/36 (3/30/00).

2. EXECUTIVE BOARD TRAVEL

Travel by an Executive Director as set forth in EBAM/00/43 (3/27/00), and by an Assistant to Executive Director as set forth in EBAM/00/22, Supplement 2 (3/28/00) is approved.

APPROVAL: August 13, 2001

SHAILENDRA J. ANJARIA
Secretary