

0404

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 93/126

6:00 p.m., September 8, 1993

M. Camdessus, Chairman

Executive Directors

M. Al-Jasser

K. P. Geethakrishnan

J. E. Ismael

A. Kafka

G. Lanciotti

R. Marino

A. Mirakhor

C. V. Santos

S. Schoenberg

D. E. Smee

E. Waterman

A. G. Zoccali

Alternate Executive Directors

J. M. Abbott, Temporary

J. Jonas, Temporary

J. Solheim

M. Tabata

G. Y. Glazkov, Temporary

M. Sirat

J. O. Aderibigbe, Temporary

D. A. Barr, Temporary

J. W. van der Kaiij, Temporary

Y. Y. Mohammed

Yang X., Temporary

L. Van Houtven, Secretary and Counsellor

C. P. Clarke, Assistant

1. Amendment of Section 14(d) of By-Laws - Report  
to Board of Governors and Proposed Resolution . . . . . Page 3
2. 1993 Annual Meeting - Executive Board -  
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3. Executive Board Travel . . . . . Page 5

Also Present

Legal Department: F. P. Gianviti, General Counsel. Personal Assistant to  
the Managing Director: G. R. Saunders.

1. AMENDMENT OF SECTION 14(D) OF BY-LAWS - REPORT TO BOARD OF GOVERNORS  
AND PROPOSED RESOLUTION

The Executive Directors considered a memorandum proposing a change in Section 14(d) of the By-Laws with respect to the terms of service of Executive Directors, together with a draft report and a draft Resolution for adoption by the Board of Governors (see EBD/93/150, 9/9/93).

The Chairman explained that, in light of the resignation of Mr. Dawson as Executive Director for the United States, the earlier resignation of his Alternate, and the uncertain prospects for the appointment of a new Executive Director, there was a pressing need to consider an amendment to the By-Laws in order to avoid a disruption in the continuity of the Board after September 20, 1993. The Articles of Agreement did not contemplate the situation in which an Executive Director's office would become vacant while there was no Alternate to exercise his powers. A temporary remedy was provided under Section 14(d) of the By-Laws, however, which authorized a temporary Alternate Executive Director to serve for no more than 30 business days in each year of service of the Executive Director, but that remedy would end on September 20, the anniversary of the appointment of Mr. Dawson. In the absence of an amendment to the By-Laws by September 20, therefore, the votes allotted to the United States could no longer be cast in the Board until a new Executive Director was appointed by the United States.

The By-Laws of the Fund were significantly more constraining than those of the World Bank with respect to the terms of service of a temporary Alternate Executive Director, the Chairman noted. Indeed, in the Bank, there was no limit on the length of service of a temporary Alternate. After a careful review of the issue, which was of general relevance to the effective functioning of the Executive Board, he proposed that Section 14(d) of the By-Laws be amended to authorize a temporary Alternate to continue to serve, in the absence of both the Executive Director and his Alternate, until a new Executive Director was appointed or elected, but in either case for no more than six months. The amendment would require a Resolution of the Board of Governors, adopted by a majority of the votes cast. Given the urgency of the matter, he suggested that Governors be asked to vote on the Resolution without meeting, in which case the replies received would have to include a majority of Governors exercising two thirds of the total voting power. The period for voting on the Resolution, which would be considerably shorter than normal in light of the circumstances, would end on September 20, 1993.

After a brief discussion, the Executive Board took the following decision:

1. The Executive Board adopts the Report of the Executive Board to the Board of Governors proposing an amendment of Section 14(d) of the By-Laws, set forth in Attachment II to EBD/93/150 (9/9/93).

2. The Board of Governors is requested to vote without meeting, pursuant to Section 13 of the By-Laws of the Fund, on the draft Resolution set forth in Attachment III to EBD/93/150.

3. The Secretary is directed to send the Report and draft Resolution to each member of the Fund by rapid means of communication on or before September 9, 1993.

4. To be valid, votes must be cast by Governors or Alternate Governors and must be received at the seat of the Fund before 6:00 p.m., Washington time, on September 20, 1993. Votes received after that time will not be counted.

5. The effective date of the Resolution of the Board of Governors shall be the last day allowed for voting.

6. All votes cast pursuant to this decision shall be held in the custody of the Secretary until counted, and all proceedings with respect thereto shall be confidential until the Executive Board determines the result of the vote.

7. The Secretary is authorized to take such further action as he shall deem appropriate to carry out the purpose of this decision.

Decision No. 10459-(93/126), adopted  
September 8, 1993

#### DECISIONS TAKEN SINCE PREVIOUS BOARD MEETING

The following decisions were adopted by the Executive Board without meeting in the period between EBM/93/125 (9/8/93) and EBM/93/126 (9/8/93).

#### 2. 1993 ANNUAL MEETING - EXECUTIVE BOARD - REPRESENTATION EXPENSES

The Executive Board approves the recommendation of the Committee on Executive Board Administrative Matters concerning representation expenses at the time of the 1993 Annual Meeting as set forth in EBAM/93/156 (9/3/93).

Adopted September 8, 1993

3. EXECUTIVE BOARD TRAVEL

Travel by Executive Directors as set forth in EBAM/93/158 (9/7/93) and by an Assistant to Executive Director as set forth in EBAM/93/157 (9/3/93) is approved.

APPROVED: December 15, 1993

LEO VAN HOUTVEN  
Secretary

