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**IMMEDIATE
ATTENTION**

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EBD/95/110

August 3, 1995

To: Members of the Executive Board

From: The Secretary

Subject: Eleventh General Review of Quotas - Establishment of the
Committee of the Whole

Attached for consideration by the Executive Directors is a memorandum from the Managing Director on the establishment of a Committee of the Whole for the Eleventh General Review of Quotas. In the absence of an objection from an Executive Director prior to the close of business on Wednesday, August 9, 1995, the proposed decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Other Distribution:
Department Heads

August 3, 1995

To: Members of the Executive Board

From: The Managing Director

Subject: Eleventh General Review of Quotas - Establishment of
the Committee of the Whole

The Executive Board is scheduled to begin its consideration of the Eleventh General Review of Quotas in the near future. This timing reflects the views expressed by the Interim Committee at its April 1995 meeting, when it "...noted that the Fund's liquidity is projected to decline sharply over the next two years...[and]... requested the Executive Board to continue to review the adequacy of the Fund's resources, and, in connection with its review of the role of the Fund, to carry forward its work on the Eleventh General Review of Quotas."

The Eleventh General Review of Quotas by the Board of Governors is to be completed not later than March 31, 1998, i.e., five years from March 31, 1993, the date on which the Tenth General Review of Quotas should have been completed (Article III, Section 2(a)). 1/ This means that the Board of Governors will have to adopt a decision by March 31, 1998. In consequence, the work of the Executive Directors should be completed in good time for recommendations to be submitted to the Board of Governors sufficiently in advance of the deadline.

Under Rule D-3 of the Fund's Rules and Regulations, work on the General Review of Quotas is to be carried out in the first instance in a Committee of the Whole appointed for this purpose by the Executive Board at least one year prior to the date by which a general review of quotas must be undertaken or promptly if it is decided to conduct a general review before the date by which such a review must be undertaken. It also provides that the Committee of the Whole shall prepare a written report.

Accordingly, the following decision is proposed for adoption by the Executive Board:

In accordance with Rule D-3 of the Fund's Rules and Regulations a Committee of the Whole for the Eleventh General Review of Quotas with the Managing Director as Chairman is hereby established. Committee action shall not be binding on the Executive Board. Minutes of meetings shall be prepared and circulated for approval of Committee members.

1/ See "Tenth General Review of Quotas--Report to the Board of Governors and Proposed Resolution," EBD/94/186, Supplement 1 (12/14/94).