

EB/APC/09/4

November 11, 2009

To: Members of the Agenda and Procedures Committee
(Mr. Rutayisire, Chairman; Mr. Gibbs, Mr. He, Mr. Henriksson,
Mr. Kotegawa, Mr. Moser, Mr. Nogueira Batista, Ms. Vongpradhip)

From: G. Russell Kincaid, Acting Committee Secretary

Subject: **Revised *Compendium of Executive Board Work Procedures*—Redlined
Version**

Attached for the information of Executive Directors is a redlined version of the revised *Compendium of Executive Board Work Procedures*, which will be considered at the meeting of the Agenda and Procedures Committee scheduled for **Thursday, November 19, at 3:00 p.m.**, in the Board Committee Room (HQ1-12-120B).

This paper will shortly be posted on the extranet, a secure website for the Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Members of the Executive Board

TABLE OF CONTENTS

I. Work Program and Scheduling of Meetings	1
1. a. Calendar Management System.....	1
1. b. Six-Monthly Work Program of the Executive Board	2
1. c. Agenda for Executive Board Meetings	4
1. d. Preparations for Spring and Fall Ministerial Meetings.....	5
II. Types of Board Meetings	8
2. a. Formats of Executive Board Meetings.....	8
2. b. Attendance at Executive Board Meetings.....	12
2. c. Executive Board Standing Committees	16
2. d. Executive Board Committees in Addition to the Standing Committees.....	21
III. Documentation for Meetings	22
3. a. Guidelines on Minimum Circulation Periods for Executive Board Documents.....	22
3. b. Treatment of Sensitive Documents	26
3. c. Access to Documents by Executive Directors and Member Countries Through the Fund's Secure Extranet	27
3. d. Acronyms and Abbreviations in Fund Documents	28
IV. Program Monitoring	29
4. a. Side Letters.....	29
4. b. Misreporting by a Member Country	31
V. Conduct of Board Discussions.....	34
5. a. Chairing of Executive Board Meetings.....	34
5. b. Executive Directors' Interventions at Board Meetings—Speakers' List, and Buff and Gray Statements	35
5. c. Guidelines for Efficient and Effective Interventions in Board Discussions	38
5. d. Staff Answers at Board Meetings	40
5. e. The Chair's Welcoming and Farewell Remarks for Executive Directors and Alternates	42
VI. Decision- Making in the Board.....	43
6. a. Decision- Making Process.....	43

6. b. Summings Up, Concluding Remarks and Chairman’s Statements.....	45
6. c. Code Words <u>Qualifiers</u> in Summings Up.....	52
6. d. Formal Votes and Voting in Relation to Sense of Meeting.....	54
6. e. Legal Effects of an Executive Director’s Silence	61
VII. Lapse of Time Procedures.....	62
7. a. Executive Board Decisions by Lapse of Time.....	62
7. b. Completion of Article IV Consultations on a Lapse of Time Basis	64
7. c. Lapse of Time Consideration and Approval of Reviews Under Fund Arrangements ...	66
VIII. Record-Keeping	68
8. a. Minutes of Executive Board Meetings.....	68
IX. Transparency.....	70
9. a. Access to Technical Assistance Reports	70
9. b. Publication of Fund Documents.....	72
9. c. Access to the Fund’s Archives.....	77
X. Collaboration with Other International Organizations.....	79
10. a. Cooperation Agreement Between the Fund and the World Trade Organization	79
10. b. European Central Bank—Observer Status.....	81
10. c. Exchange of Documents with Other International Organizations	83
XI. Other Issues	86
11. a. Informal Contacts Among Executive Directors, Management and the Secretary	86
11. b. Ground Rules for Staff Contacts with National Authorities	87
11. c. Code of Conduct for Members of the Executive Board.....	88
11. d. The Fund's Independent Evaluation Office (IEO) -- Terms of Reference.....	92
11. e. IEO - Scheduling of Board Discussions of IEO Reports	95
11. f. Regular Elections of Executive Directors—Nominations and Balloting	96
List of Background Documents on Executive Board Work Procedures.....	97

COMPENDIUM OF EXECUTIVE BOARD WORK PROCEDURES

INTRODUCTORY NOTE

1. This compendium was initially prepared by the Secretary's Department in October 2001, and updated in ~~February~~ 2003 and ~~August 2003~~2007. It was ~~comprehensively~~ revised and updated, reviewed by the Legal Department, and the draft text was circulated to the Agenda and Procedures Committee in ~~December 2005~~August 2009. The aim of the compendium is to describe the main practices, procedures and policies that relate to the workings of the Executive Board, as they are presently applied. It serves as a reference guide for the convenience of Executive Directors and their offices, management and their advisors, and staff who participate in Board meetings. The full text on the Secretary's Department intranet contains a search feature to help locate references to major topics.
2. For many years, there was no single reference source that brought together in a concise manner material on the work procedures of the Board. The last Executive Board review of the whole subject took place in 1993 (SM/93/18, 1/25/93). The staff paper for that discussion was highly selective and follow-up documentation was not issued. Aspects of work procedures were considered occasionally, with the issuance of formal decisions or guidelines on individual topics, over the following decade or so. A number of elements of the Board's procedures have also been clarified by the Agenda and Procedures Committee in the last few years. However, in many areas, members of the Board frequently needed to seek clarification of some procedural issue from the Secretary's Department on an ad hoc basis. This guide is intended to demystify the process and increase transparency.
3. Work procedures for the Executive Board originate in the IMF Articles of Agreement (particularly Article XII), supplemented by the By-Laws (including Sections 1, 5, 6, 9, 10, and 13-22) and the Rules and Regulations (including the C-Rules). There is nothing in the attached compendium that undermines or reinterprets these requirements. Legal interpretations related to Board procedures are informed by the advice of the Legal Department. Also, this compendium does not explain how policy matters relating to Fund member countries are handled in the Board; comprehensive guidelines on many of these subjects are available on the PDR Department intranet.
4. This compendium is intended to complement, rather than replace, other reference material that is already circulated by the Secretary's Department. There is no unique definition of what constitutes the working procedures of the Executive Board and should therefore fall within the purview of this guide. However, the intention is to minimize duplication with other sources, such as the reference *The International Monetary Fund: Functions, Policies, Operations*, which was first issued by the Secretary's Department in

December 2004, and updated in February 2007. The compendium also excludes matters related to the preparation of Executive Board documents, which are covered in the Guide to the Preparation of Correspondence and Documents (the Redbook). There is no mention in this document of the names, constituency or voting power of individual Executive Directors; such information is made available frequently by the Secretary's Department in the IMF Directory.

5. With the focus on describing procedures as they are presently applied, only limited explanation is given of how these procedures have developed over the years. To the extent possible, the compendium reproduces decisions and guidelines that have been agreed in the past by the Executive Board, updated as needed. In other cases, new material has been prepared by the Secretary's Department on the basis of informal understandings that, in certain cases, have not been previously documented.

6. Attached to the compendium is a list of about 40 background documents, which are available on the Secretary's Department intranet. The documents themselves also often contain extensive references to earlier Board documents that may be consulted by readers wishing to obtain greater historical perspective on how practices have evolved over the years.

7. It should be emphasized that most of the procedures for the Executive Board are in the nature of guidelines, rather than requirements. Moreover, this compendium is not intended to describe how the Executive Board will address all of the issues that will be placed on its agenda. The very nature of Board activities frequently creates situations that cannot be predicted in advance. The approach that has always worked is for the Board to find solutions in a pragmatic manner, with tact, judgment and discretion, rather than with formal rules.

8. In addition to documenting existing procedures, the compendium seeks to facilitate ongoing efforts to further clarify and streamline Executive Board procedures, including in the context of discussions in the Agenda and Procedures Committee. At the same time, the Fund's medium-term strategy and budget framework will make critical contributions to defining how the Board's work procedures and, more directly, its work program, evolve over time, and to affecting more broadly the preparation of Board documents and—possibly—the conduct of Board discussions themselves. Future revisions to the compendium will reflect such developments.

9. Future proposed amendments of this text will be circulated to the Agenda and Procedures Committee (APC) and to all other Executive Directors in advance of their inclusion in the compendium. Any substantive issues that the proposals engender can be considered at a meeting of the APC. In the absence of comments, the proposed amendments will be finalized and incorporated into the compendium, and the version posted on the Secretary's Department's intranet will be updated accordingly.

I. WORK PROGRAM AND SCHEDULING OF MEETINGS

1. a. Calendar Management System

The Secretary's Department introduced in January 2001 a computerized system for the Calendar of Executive Board Meetings. The system allows better tracking of the status of preparations to bring items to the Board agenda over a longer period, so as to bring greater balance and predictability to the calendar. It also allows calendar information to be circulated on a more timely basis than under the previous system. This process represents an important response to Directors' requests to reduce the episodes of heavy and light periods of meetings during the year, and lend greater certainty to planned dates for Board discussions. It also helps to avoid the need for meetings on Tuesdays and Thursdays when the World Bank Board meets.

The longer planning horizon made possible by the Calendar Management System (CMS) facilitates efforts to avoid bunching of items, especially in the weeks prior to the spring and fall ministerial meetings. To the extent possible, the calendar for those periods is limited to noncountry items that relate to the priorities established by the IMFC; items relating to the use of Fund resources that, for operational reasons, cannot be postponed; and Article IV consultations for countries that are systemically important. Area departments are asked to spell out their Article IV consultation mission plans up to two years in advance and give greater weight in the timing of missions, to help avoid congestion in the calendar.

In updating the calendar, the Secretary's Department receives daily requests for additions and modifications from departmental staff. In the case of country items, the Secretary's Department confirms the update with the Executive Director concerned, and with Management. Calendar update notices are e-mailed to Executive Directors' offices, usually on a weekly basis and occasionally more often. At the time of the e-mail notification, the full calendar of confirmed items is posted on the Secretary's Department intranet. The Board Calendar for 7 days in advance is posted on the Fund's external website. The CMS makes it possible to share on a continuous basis the latest calendar with all concerned—Board members, management and staff. Steps toward further computerization of the Calendar are under way.

Reviewed 3/1/07.

1. b. Six-Monthly Work Program of the Executive Board

The Managing Director submits twice yearly, following the spring and fall ministerial meetings, a statement for the Board's consideration on the proposed work program for the period until the following ministerial meetings, along with a rough outline for the subsequent six months. This procedure, introduced in the 1970s, is seen as an effective mechanism for reaching agreement between Management and the Board on priorities for work on policy and administrative items and for identifying a schedule of country items. Following Board discussion, the Managing Director's statement is placed on the IMF's external web site.

The Managing Director's statement on the Work Program highlights priority issues, including those identified by the IMFC, and provides management views on how and when they should be addressed. The Managing Director's statement focuses on those core priorities, and other information is presented to the Board at the same time in a supplementary note from the Secretary. The aim is to encourage the Board to focus its review of the Work Program statement on the key items while continuing to keep the Board informed of the totality of the staff's planned work for the Board; and to give the staff a good indication of how papers should be prioritized. Following the Board discussion, the Secretary circulates a memorandum addressing points and answering queries raised by Executive Directors.

The key problems facing the work program planning process remain the heavy overall workload; bunching of agenda items, especially in the weeks immediately prior to the spring and fall Ministerial meetings; and volatility in the Board calendar. The Secretary, working closely with staff, management, and Executive Directors—including through the Agenda and Procedures Committee--seeks continuously to resolve, or at least moderate, these problems. In this vein, area departments have been requested to take greater account of Board scheduling constraints in proposing items for Board consideration and even earlier in their mission planning process; and policy departments have been requested to propose timings for Board consideration only after taking realistic account of the time required for the preparation and clearance of policy papers. Also, a computerized database, the Calendar Management System (see note 1. a.), allows the Secretary's Department to plan the Board calendar with greater lead times.

In order to further improve the observance of circulation periods and avoid bunching of discussions ahead of IMFC meetings, time bands for the scheduling of policy items in the work program were introduced in November 2004.¹ Policy items expected to be taken up are grouped into three time bands, the first extending approximately three months ahead, and

¹ See Statement by the Managing Director on the Work Program of the Executive Board, BUFF/04/206, November 4, 2004. ~~The most recent Work Program Statement is found in BUFF/06/162, October 23, 2006.~~

overlapping somewhat with the second, and the second and third, extending for approximately the subsequent consecutive three- and six-month periods, respectively. Within each time band, the precise scheduling of individual policy items is identified and announced about one month in advance.

| *Updated ~~3/1/07~~9/xx/09.*

1. c. Agenda for Executive Board Meetings²

Except in special circumstances as determined by the Chairman, Executive Directors are entitled to be notified of items on the agenda of a meeting at least two full business days before a meeting convenes. In practice, notice of the agenda of a meeting is given as far in advance as possible. Reasonable notice is especially important when a proposal to be brought before the Board implies a change of Fund practice or policy, or the establishment of exceptions to existing practice or policy. Meetings are normally held on Monday, Wednesday, and Friday. Best efforts are made to avoid meetings on Tuesday and Thursday, which in principle are set aside for meetings of the World Bank Executive Board and to allow time for Executive Directors to prepare for forthcoming Board discussions.

The agenda is proposed by the Chair and includes any item requested by an Executive Director. The order of the items on the agenda for a given day is determined in a flexible manner. A prime consideration for determining the order of items for a given day is the availability of management, with the objective of ensuring that if the Managing Director is not in the chair, to the extent possible the Deputy Managing Directors chair meetings on items/countries that are in their respective areas of main responsibilities. Policy items are ordinarily placed first followed by items on the use of Fund resources and then by other country items. In practice, where prior actions need to be taken before Board consideration of a country item, the item is normally placed on the agenda if the prior actions have been completed at least five working days before the date scheduled for the meeting.

Executive Directors are notified of new or modified tentative agenda items for future Board meetings through updates of the calendar of Board meetings, which are routinely circulated electronically. In addition, the agenda for the Board meeting is posted on the intranet, to which a link is circulated electronically to Executive Directors the afternoon before the meeting. Board meeting agendas are maintained on-line and are searchable electronically. The agenda posted on the Fund's external website excludes items taken up in restricted or informal meetings, housekeeping matters, and electronic links to document texts.

Executive Directors' offices are notified by e-mail of the timing of the commencement of the Board discussion on individual agenda items. In general, a 10-minute interval is observed between each agenda item. At the conclusion of an item, the Chair announces the starting time of the next item and the meeting is interrupted until that time. Matters not on the agenda may be considered at a meeting only by unanimous consent of the Executive Directors present. The Board may decide to postpone consideration of an item on the agenda by a majority of the votes cast.

Reviewed 3/1/07.

² These procedures are based on Rules B-3 and C-1 to C-9 of the Fund's Rules and Regulations.

1. d. Preparations for Spring and Fall Ministerial Meetings

International Monetary and Financial Committee (IMFC)

In September 1999, the IMFC replaced the Interim Committee that had been in existence since 1974, as an advisory committee of the Board of Governors on the management and adaptation of the international monetary and financial system. In addition to the name change, it was agreed that preparatory meetings of representatives of Committee members (Deputies) may be convened by the IMFC Chairman to discuss issues on which it is considered useful to obtain direct input from capitals. The IMFC, whose 24 members are Governors of the Fund, Ministers or others of comparable rank, reflects the composition of the Executive Board: each member country that appoints, and each group that elects, an Executive Director, appoints a member of the Committee. The Secretary of the Fund is the Secretary of the IMFC.

The IMFC holds meetings in the spring (often in April) and the fall (immediately prior to the Annual Meetings).³ In practice, a draft of the provisional agenda is prepared by the Managing Director, which is considered by the Executive Board, and subsequently reviewed and approved by the IMFC Chairman. The provisional agenda is then circulated to members of the IMFC. The IMFC formally adopts the agenda as the first item of business at the IMFC meeting. Documentation for the agenda items, normally in the form of reports by either the Executive Board or the Managing Director, is circulated to Directors as early as possible in the days preceding the meetings for comment, preferably before the Deputies' meeting. In addition to the draft agenda and reports prepared for it, the IMFC may also receive documents, including summings up and staff papers, that were previously prepared for the Executive Board. A draft communiqué is circulated to Executive Directors on the day prior to the Ministerial meeting. It is discussed, in parallel with the meetings of the Ministerial meeting, by a drafting group consisting of Deputies. The final draft communiqué is then considered by the IMFC for adoption toward the end of its meeting.

Development Committee

The Development Committee (formally called the Joint Ministerial Committee of the Boards of Governors of the Bank and Fund on the Transfer of Real Resources to Developing Countries) was established in October 1974 to advise the Boards of Governors of the Bank and Fund on critical development issues and on the financial resources required to promote

³ Board of Governors Resolution No. 54-9 establishing the IMFC, paragraph 4(a) states: "The Committee shall meet ordinarily *twice* a year. The Chairman may call meetings after consulting the members of the Committee, and shall consult the members of the Committee on calling a meeting if so requested by any member of the Committee. Normally, the Chairman, in consultation with the members of the Committee, will call a preparatory meeting of their representatives ("Deputies")."

economic development in developing countries. Like the IMFC, it consists of 24 members (generally ministers of finance or development although its members may also be governors of the Fund or Bank and others of comparable rank). The members of the Development Committee are appointed in turn for successive two-year periods by members of the Bank and members of the Fund. Each member government of the Bank or Fund, as the case may be, that appoints or elects an Executive Director, and each group of member governments of the Bank or Fund, as the case may be, that elects an Executive Director appoints one member of the Development Committee and up to seven associates. The Development Committee usually meets following the meeting of the IMFC. Arrangements for the clearance of the agenda and for participation in meetings are proposed by the Executive Secretary of the Committee, in consultation with the President of the World Bank, the Chairman of the Committee, and the Managing Director. As a matter of practice, the agenda is considered by Fund Executive Directors on a lapse of time basis, prior to its discussion by the Bank's Executive Board.

Joint IMFC and Development Committee Meetings

From time to time, joint sessions of the IMFC and Development Committee may be held. For example, joint sessions were held during the 2000 Annual Meetings in Prague and during the 2001 Spring Meetings in Washington, D.C., on issues relating to the PRGF/HIPC initiatives to fight poverty and strengthen growth. Discussions on the proposed agenda were held in the Fund and Bank Executive Boards, to ensure there was no overlap with the agendas of the two individual committees. A draft joint communiqué was circulated to Executive Directors for comment several days before the meeting, and subsequently discussed at a meeting of both Fund and Bank Executive Directors. The draft was then discussed by a drafting group of delegates before consideration and adoption at the joint session of the Committees. The Secretary of the IMFC and the Executive Secretary for the Development Committee are joint secretaries of the joint meetings. The latest joint meeting took place at a dinner in April 2005, at which the Secretary General of the United Nations, Mr. Kofi Annan, gave the keynote address on the prospects for achieving the Millennium Development Goals.

Group of 24

The Group of 24 (officially known as the Intergovernmental Group of 24 on International Monetary Affairs) was formed in 1972. It represents the interests of the developing countries in negotiations on international monetary matters. While this is not an organ of the IMF, the Secretary's Department provides secretariat services for the Group at both the Ministerial and Deputies level, whose meetings take place immediately prior to the IMFC/Development Committee Meetings, to enable developing countries to discuss agenda items before the meetings of the two committees. The Group of 24 comprises nine members from Africa, seven members from Asia, and eight members from Latin America.

Annual Meetings

The Fund's Board of Governors must hold regular meetings, at annual intervals unless it decides otherwise. The joint Annual Meetings of the Fund and Bank usually occur in late September or early October, preceded by the IMFC and Development Committee meetings. The meetings consist of an opening plenary session at which addresses on the work and policies of the institutions are delivered by the Chairman of the Boards of Governors of the Fund and the Bank, the Fund Managing Director, and the President of the World Bank. Subsequently, individual Governors wishing to address the Meetings are invited to do so. A meeting of the Joint Procedures Committee of the Fund and Bank, comprising selected members of the Boards of Governors, is held at the time of the Annual Meetings to review procedural issues on items of business on the agenda of the Boards of Governors. These items typically include the Fund's Annual Report, Financial Statements, Report on Audit, and Administrative and Capital Budgets, and if necessary, proposed amendments to the By-Laws, Rules and Regulations. The Regular Election of Executive Directors is concluded during the Annual Meetings every other year. In addition to the formal discussion, the Annual Meetings traditionally provide an opportunity for management and staff to hold bilateral meetings with country delegations, and for contacts among member countries needed for the formation and effective functioning of constituency groups. The Meetings also facilitate interaction between the private sector, including potential investors and nongovernmental organizations, and Meetings participants, and provide a forum for explaining to the public the tasks, objectives, and activities of the Fund and Bank.

Reviewed 3/1/07.

II. TYPES OF BOARD MEETINGS

2. a. Formats of Executive Board Meetings

Article XII, Section 3(g) of the IMF Articles of Agreement stipulates that the Executive Board shall function in continuous session at the principal office of the Fund and shall meet as often as the business of the Fund may require. Article XII, Section 3(h) stipulates that a quorum for any such meeting shall be a majority of the Executive Directors having not less than one half of the total voting power.⁴

The Managing Director, as Chairman of the Executive Board, calls meetings of the Board⁵ and is required to call a meeting at the request of any Executive Director.⁶ Rule C-3 of the Rules and Regulations provides for ordinary meetings and executive sessions of the Executive Board. Other formats for meetings of Executive Directors have evolved over time, reflecting the desire for informal frameworks for facilitating exchanges of view between Directors and the sharing of information by the staff outside the framework for formal Board decision making. These formats, which do not involve decisions by the Executive Board, include informal meetings; restricted informal sessions on world economic and market developments; restricted informal country matters sessions; Executive Board seminars, including informal seminars; briefings by the staff; and Committees of the Whole.

Ordinary Meetings

Most Executive Board meetings are ordinary meetings. These are formal meetings in which the Board may adopt decisions and reach understandings related to the business of the Fund. Written staff background documents are provided, summings up issued, and minutes prepared. Such Board meetings are chaired by the Managing Director or a Deputy Managing Director. Issues related to attendance at ordinary meetings are discussed in chapter 2.b. of this Compendium.

Executive Sessions

Under Rule C-3(b), the Executive Board, at the request of the Managing Director or an Executive Director, may meet in Executive Session. Executive sessions are distinguished from ordinary meetings in that only Executive Directors, the Managing Director, and Deputy Managing Directors are allowed to attend such meetings, unless others, such as the Secretary,

⁴ Article XII, Section 2(j) allows the Executive Board to appoint such committees as it deems advisable. The current Standing Committees of the Executive Board and their terms of reference are covered in chapter 2.c of this Compendium. Other Committees are covered in chapter 2.d.

⁵ See Rule C-1 of the Rules and Regulations.

⁶ See Rule C-2.

Advisors, or essential staff are permitted by the Executive Board. Such meetings are held only rarely to discuss sensitive issues.

Informal Meetings

Informal meetings are intended to provide a setting for an exchange of views on issues that are not yet at the stage at which a formal decision or understanding is sought. They may cover policy, operational, or administrative matters. An informal meeting is often used for a discussion on an individual country, based on oral reports by management and/or the staff on recent developments in Fund relations with that country. An informal meeting provides an opportunity for somewhat more extensive discussion than is feasible within the guidelines for informal country matters sessions, which group several country discussions into a more compact format (see below).

Informal meetings may be called without the usual minimal advance notice given for other kinds of meetings. A staff statement or note on the topic under discussion may be distributed prior to or after the meeting. No minutes are kept. When informal meetings deal with particularly sensitive information, attendance at the meetings may be restricted.

Informal Sessions on World Economic and Market Developments (Restricted Attendance)

Informal sessions are held about every six weeks to discuss recent World Economic and Market Developments (WEMD), periodically in conjunction with the Financial Markets Update. Attendance is restricted because of the sensitive information involved. While charts and tables are circulated prior to the meetings, staff statements (normally by the Economic Counsellor) are not distributed. In keeping with the informal and restricted nature of these discussions, no minutes are kept.

Informal Country Matters Sessions (Restricted Attendance)

Informal country matters sessions are intended to keep Executive Directors informed on a strictly confidential basis of key developments and prospects in selected members. Countries are normally taken in groups of 6-10 countries. The sessions are expected to cover cases where economic developments in a country, or Fund-country relations, take unexpected turns.⁷ Staff presentations are as candid as possible about prospects. Informal country matters sessions are scheduled about once a month, with two or three area departments featured during a session, on a rotational basis. Area departments may skip their turn if there are no cases warranting inclusion in a particular session. In practice, the Board is informed

⁷ For example, informal country matters sessions have provided an opportunity for the staff to report program slippages and early warnings of a UFR program going off track, difficulties in fulfilling prior actions, and a decision to begin a staff-monitored program. Ongoing staff work on vulnerabilities has been shared with Executive Directors in informal country matters sessions.

about the list of countries and the themes to be covered for each country on the list at least two days in advance. An Executive Director may request that a country be added to the list.

Oral presentations by the staff at the outset of each country briefing are concise, normally lasting about four minutes, focusing on broad policy issues and avoiding excessive detail on developments and performance. No written staff statements are prepared, but tables and charts of a country's key indicators may be circulated at the meeting.

The usual meeting format is to complete an oral presentation and a question-and-answer session on one country before moving to the next country. In order to keep the session to within the agreed 90-minute limit, staff responses to questions are expected to be as concise as possible. No minutes of the sessions are kept. Executive Directors may inform their capitals about the staff presentation, but with due consideration to the need for confidentiality, in accordance with the Code of Conduct for members of the Executive Board. The coverage of informal country matters sessions may not be disclosed to the press.

Seminars

Seminars provide a format for discussion among Executive Directors on selected policy and operational matters that may be considered by the Board in a formal setting at a later stage. For seminars written staff papers are generally provided, gray statements circulated, concluding remarks issued, and minutes prepared. Seminars are held in the Board Room and chaired by management. To ensure that the concluding remarks of seminars are not misinterpreted as a decision of the Executive Board, a disclaimer is included on the first page of concluding remarks clarifying that they reflect Directors' preliminary views.⁸

Informal Seminars

Informal seminars are designed for a discussion of a subject at a preparatory stage. Possible motivations for scheduling an informal seminar may include the staff's desire to brief Executive Directors informally on the development of a policy direction or analytical framework at an early stage, and/or to provide an opportunity for Executive Directors to give preliminary and informal views, input, or guidance on possible alternative approaches to an issue under consideration. A staff paper and/or limited background documentation may be circulated, but there are no gray statements, concluding remarks, or minutes. Outside experts have occasionally participated in informal seminars.⁹ Informal seminars may be chaired by management or by the department head responsible for the issue under consideration. When

⁸ The text of the disclaimer reads: "These concluding remarks do not reflect decisions of the Executive Board but rather preliminary views expressed by Executive Directors in a discussion conducted in seminar format."

⁹ For example, representatives of law firms and private financial institutions were invited to attend an informal seminar on the Fund's work on a sovereign debt restructuring mechanism.

the informal seminar is not chaired by a member of management the meeting takes place in the Committee Room or another meeting room, and not in the Board Room.

Executive Board Briefings by the Staff

From time to time, the staff conducts informal briefings for members of the Executive Board to provide an opportunity for detailed question-and-answer sessions, on country items and policy issues.

Committees of the Whole

A Committee of the Whole, also an informal meeting, consists of all the Executive Directors and is chaired by the Managing Director. The committee is an informal setting to consider matters of interest to all Directors that do not require a formal decision. Committees of the Whole have been established to discuss and report on issues related to the quinquennial reviews of members' quotas (in accordance with Rule D-3, the Executive Board is required to appoint a Committee of the Whole to study the matter and prepare a written report at least one year prior to the time when a general review of quotas must be undertaken by the Board of Governors); and to consider and approve the proposed agendas for meetings of the Development Committee.

Updated 3/1/07.

2. b. Attendance at Executive Board Meetings

Attendance by Members of Executive Directors' Offices, Management, and Staff

As provided in Rule C-3(a), ordinary Executive Board meetings are open for attendance by not only the Executive Directors, but also their Alternates, Senior Advisors, and Advisors. The Deputy Managing Directors are entitled to attend all ordinary meetings of the Executive Board. Attendance at such meetings is also open to the Secretary and such other staff members as indicated by the Chair. For some years, there has been an understanding that, given the limited space in the Board Room and to ensure minimum seating for each constituency, Executive Directors will cooperate by limiting attendance from their offices at ordinary Board meetings to no more than three persons per office, except for individual country items involving an Article IV consultation or use of Fund resources for a member of their constituency. Staff attendance is limited to persons whose presence is required and for whom space is available (subject to authorization by the Front Office of their department). Fund consultants are not allowed to attend Board meetings unless authorized beforehand by management and the Board. Authorizations may be granted to Fund consultants who participate in a staff mission or assist in drafting the Board paper to attend the Board discussion on that particular item.

A limited number of ordinary meetings has been restricted, for instance, when for the sake of information security the circulation of the relevant documentation is limited. Each Executive Director's office may be requested to limit the number of persons attending such meetings, and staff attendance is also limited, as directed by the Managing Director. The Board discussions on the World Economic Outlook are routinely held in restricted meetings. Similarly, Board consideration of side letters is carried out in restricted sessions, pursuant to Board Decision No. 12067-(99/108), September 22, 1999. Minutes of restricted meetings are prepared, but their circulation is more limited than the circulation of minutes of other ordinary Board meetings.

Attendance at Executive Sessions is defined by Rule C-3(b) (see discussion on Executive Sessions on p. 8).

The Staff Association Committee (SAC)

The chairperson of the Fund Staff Association Committee (or his/her representative) may be invited to Executive Board meetings of major interest to the staff, primarily discussions on staff compensation and benefits. The Board decides whether the SAC representative may be allowed to make a presentation, answer questions or respond to comments, and whether he/she will then leave the meeting or will be allowed to attend the full Board deliberation.

Attendance by Officials of Member Governments

Section 19 of the By-Laws provides for the attendance of a representative of a member that is not entitled to appoint an Executive Director at an Executive Board meeting when a matter particularly affecting that member is under consideration. This provision also applies *mutatis*

mutandis to the representation of members whose voting rights have been suspended pursuant to Article XXVI, Section 2(b), at meetings of the Board. The member may waive this right or give the Fund notice of its intention to send its representative to that meeting.

Except with regard to the right of representation of members as regulated by Section 19 of the By-Laws (see paragraph above), officials of member governments, including the Prime Minister or Minister of Finance, may attend ordinary meetings of the Executive Board only if management and the Executive Board approve of their attendance. Such approval has been relatively uncommon, in the interest of fostering uninhibited Board deliberations.

Requests for attendance by officials of a member government (outside the scope of By-Law Section 19) are generally made informally to the Secretary. The Secretary's Department brings the request to the notice of the Executive Board under "other business" in advance of the meeting day, in order to seek Board approval. If instead a request for attendance is made at the beginning of a discussion, or if the request is a separate agenda item immediately before the discussion, the Chair asks the Executive Board if it is willing to have the official present for the whole discussion, or if he/she should only make a presentation, answer questions, and then leave. In practice, the Board has shown a preference for hearing the presentation and then conducting the discussion without the official present.

Attendance by Officials from Other International Organizations

Standing arrangements are in place for attendance at Executive Board meetings by World Bank Executive Directors and their Alternates, Senior Advisors, and Advisors, World Bank staff, and representatives of the World Trade Organization and the European Central Bank. There are no provisions for attendance by members of other international organizations. Requests by outsiders for attendance, other than by the World Bank, are considered by the Executive Board under "other business" for approval in advance of the meeting.

World Bank Executive Directors and their Office Staff

Guidelines for cross-attendance at Fund and Bank Board meetings were agreed at informal meetings of Fund and Bank Executive Directors in May 1999 (see FO/DIS/99/96). An Executive Director or the Alternate may attend, as an observer, any formal Board meeting of the other institution that is not "restricted." However, exceptions may be made on a case-by-case basis. Given the limitations on seating in each Board Room, the counterpart chairs in the Fund and Bank arrange with one another to ensure that the total attendance per chair does not exceed three persons,¹⁰ including the observer, with the exception of the office of the Executive Director whose country is on the agenda, which may send one additional person. Also, a Senior Advisor or Advisor from a Bank Executive Director's office may

¹⁰ Except for Board meetings at which joint Fund/Bank papers are considered, when a larger number of staff from Executive Directors' offices sometimes attend.

attend a Fund Board discussion on a country of which he/she is a national, if the Fund Executive Director does not have in his/her office a national of that country.

World Bank Staff

In 1970, the Executive Board authorized the issuance of a general invitation to the World Bank to send a staff member to attend Fund Board country consultations and use of Fund resources discussions. In recent years, Bank staff attendance has also been extended under Fund-Bank collaboration practices to an increasingly wide range of policy issues. The Chair mentions the presence of World Bank staff at the beginning of the item to which they have been invited.

World Trade Organization

The 1996 Cooperation Agreement between the Fund and the World Trade Organization provides for attendance by the WTO Secretariat as an observer at ordinary meetings on general and regional trade policy issues, including the formulation of Fund policies on trade matters, and discussions of the World Economic Outlook when there is a significant trade content.¹¹ The WTO Secretariat may also be invited as an observer to selected meetings of the Fund's Executive Board and of the Committee on Liaison with the WTO,¹² with prior Board approval (see chapter 10. a.). Invitations are extended by the Secretary's Department for meetings with general or regional trade policy content in line with the above requirement, and have been extended for other meetings of particular common interest to both institutions.

European Central Bank

The European Central Bank may attend as an observer selected meetings of the Board.¹³ The ECB is invited to send a representative to meetings on: euro-area policies in the context of Article IV consultations with member countries; Fund surveillance under Article IV over the policies of individual euro-area members; the role of the euro in the international monetary system; World Economic Outlook; Global Financial Stability Report; and World Economic and Financial Market Developments. Provided there is no objection from the member concerned, a standing invitation is also extended for meetings on: Article IV consultations

¹¹ The Cooperation Agreement was approved by the Fund's Executive Board in Decision No. 11381-(96/105) on November 25, 1996.

¹² Reconstitution of the Committee on Liaison with the WTO was suspended in November 2006 pending further examination of the Committee's mandate; as such the Committee is not operational at present.

¹³ Observer status for the ECB was approved in 1998 and has been reviewed by the Board annually. The latest decision dates from 2006 (Executive Board Decision No. 13856-(07/1), , adopted December 29, 2006).

with the U.S. and Japan; Article IV consultations with non-euro area EU members; and meetings on Article IV consultations with, or use of Fund resources by, EU accession countries. The ECB may also be invited by the Executive Board to send a representative to meetings on other agenda items recognized to be of mutual interest to the Fund and ECB, upon request of the Executive Director representing the country holding the EU Presidency. Also see chapter 10. b. on ECB observer status.

Updated 3/1/07.

2. c. Executive Board Standing Committees¹⁴

By tradition, Board standing committees are reconstituted by decisions of the Executive Board following the regular two-yearly election of Executive Directors, on the basis of a proposal by the Managing Director following consultation with the Dean. Several longstanding principles have guided the proposals for constituting the membership of Board committees: the desirability of a reasonable geographical balance in the composition of each committee; a need for rotation, with some continuity; and maintenance of a reasonable distribution of the burden of committee work among Executive Directors. There are formal requirements for some committees concerning the number of members. In addition, all Executive Directors are canvassed proactively for expressions of interest in committee service and the Dean consults proactively with committee chairs in this regard as well.¹⁵ ~~account is taken, to the extent possible, of the preferences of individual Executive Directors.~~ The Secretary's Department consults with the Dean of the Board informally regarding membership of committees prior to the issuance of a proposal from the Managing Director. There are currently eightnine standing committees which are reconstituted following each regular election of Executive Directors.¹⁶

When an Executive Director (appointed or elected) leaves the Board at a time other than the occasion of a regular election, his/her successor is proposed in consultation with the Dean of the Board, and in light of the same considerations that apply to the appointments to committee memberships at the time of the reconstitution of the committees, conditional upon the Board's approval.

¹⁴ This chapter is based on the document "2006~~8~~ Reconstitution of Executive Board Committees," EBD/06~~8~~/13519, ~~November 28, 2006~~December 31, 2008. A paper proposing the reconstitution of committees is issued every two years following the Regular Election of Executive Directors. Committee membership may change in between elections with changes in Board membership as well—for an example, see Executive Board Committees-Nominations, EBD/06/57, May 18, 2006.

¹⁵ See EBD/08/119, page 1, paragraph 1.

¹⁶ In its report of December 3, 2007, the Working Group of Executive Directors on Executive Board Committees examined the structure and mandates of Board Committees, and recommended some changes dealing primarily with the structure and terms of reference of committees, which the Board approved on January 29, 2008 (see EBD/08/10, 1/24/08).~~The Committee on Administrative Policies (CAP) was abolished in November 2006. The Committee on Liaison with the WTO (CWTO) has not been reconstituted pending consideration of the possible expansion of its mandate, and as such, is not operational at present.~~

Executive Directors hold the chairmanship of all but two Board committees—namely, -the Committee on the Budget, and the Pension Committee, where the Managing Director, or one of his representatives, serves in the Chair. The Secretary of the Fund, or a representative of SEC Department, is the Secretary of each Committee (except the Ethics Committee, see below).

Executive Directors may participate in all meetings of the Executive Board's committees. At the meeting of the Agenda and Procedures Committee on June 11, 2009, Executive Directors reached an understanding that non-committee members would exercise self-restraint in speaking at Board committee meetings.¹⁷

Agenda and -Procedures Committee (APC)

Chair: Executive Director

Terms of reference: ~~To contribute to the development of an effective ongoing work program of the Executive Board, and consider and propose steps to promote its smooth implementation. The Committee will consider ways to avoid undue bunching in the Board's schedule, and to allow for adequate time for preparation by Executive Directors and efficient use of time spent in Board meetings. To make recommendations to the Executive Board to support the development and orderly implementation of an effective management-guided work program and agenda of the Executive Board. To this end, the Committee shall promote such procedures for timely document distribution, the conduct of Board meetings, timing, and logistics, and related matters as will avoid bunching in the Board's schedule, allow for adequate time for preparation by Executive Directors, and enable the efficient use of time spent in Board meetings.~~

Committee on the Annual Report (CAR)

Chair: Executive Director

Terms of reference: ~~To review and make recommendations to the Board on the format and content of the Fund's Annual Report in line with the provisions of the Articles of Agreement and the relevant By-Laws of the Fund, and consistent with the Fund's commitment to transparency, and its obligations to fulfill its role in the international monetary system. The Committee will aim to ensure that the Annual Report helps promote accountability for the Fund's policies and activities, meeting the highest standards in disseminating information on such policies and activities, the Fund's finances, and on the problems confronting the institution. To review and make recommendations to the Executive Board on the format and content of the Fund's Annual Report in line with the provisions of the Articles of Agreement and the relevant By-Laws of the Fund, and consistent with the Fund's commitment to transparency, and its obligations to fulfill its role in the international monetary system. The Committee will aim to ensure that the Annual Report helps promote accountability for the~~

¹⁷ See the summary record of APC meeting 09/2 (EB/APC/Mtg/09/2, 7/6/09).

Fund's policies and activities, meeting the highest standards in disseminating information on such policies and activities, the Fund's finances, and on the problems confronting the institution.

Committee on the Budget (COB)

Chair: Managing Director/Deputy Managing Director

Terms of reference: ~~To consider from a broad perspective the Managing Director's budget proposals and other material circulated by the Managing Director regarding the administrative and capital budgets of the Fund. The Committee will make its views on the budget proposals known to the Executive Board and will meet as needed to consider budget implementation. The Committee, chaired by the Managing Director, shall be comprised of twelve Executive Directors.~~ To consider from a strategic perspective the Fund's medium-term budget outlook, and the Managing Director's annual budget proposals and other material circulated by the Managing Director regarding the administrative and capital budgets and income of the Fund. the Committee will make its views on the budget proposals known to the Executive Board and will meet as needed to consider budget implementation. The Committee, chaired by the Managing Director, shall comprise twelve Executive Directors.

Committee on Executive Board Administrative Matters (CAM)

Chair: Executive Director

Terms of reference: To consider and report to the Executive Board for decision general aspects of administrative policy relating to the Executive Directors, Alternates or their senior advisors, advisors and assistants, referred to it by the Executive Board or an Executive Director. Individual cases involving individual Directors or Alternates or their senior advisors, advisors and assistants with no wider implications shall be considered and decided by the Committee upon the request of an Executive Director without reference to and consideration by the Executive Board. In its consideration, the Committee may consider and make recommendations on the specific administrative policy involved. To develop, consider, and report to the Executive Board for decision, budgetary proposals for the individual and aggregate Offices of Executive Directors and to carry out those related budgetary responsibilities assigned to the Committee by the Board.¹⁸

¹⁸ As revised in EBD/09/15 and approved by Executive Board on February 20, 2009.

Committee on Interpretation (COI)

Chair: Executive Director

Terms of reference: To consider and make reports and recommendations to the Executive Board on questions of interpretation. There is an understanding that a legal question should be sent to the Committee by the Executive Board if any Executive Director so requests.

Committee on Liaison with the World Bank and Other International Organizations

Chair: Executive Director

Terms of Reference: With a view to promoting greater coherence in the international economic, financial, trade, and development agenda, particularly respecting economic capacity building, the Committee shall take stock of developments in the policies and programs of other international organizations with complementary mandates to that of the Fund, in particular the World Bank and the World Trade Organization. The Committee shall gather information on, and maintain close liaison with, these institutions, as needed, with a view to keeping abreast of evolving developments. It will make recommendations to the Executive Board regarding Fund relations with these organizations, as appropriate.

Evaluation Committee (EVC)

Chair: Executive Director

Terms of reference: ~~To follow closely the evaluation function in the Fund and advise the Executive Board on matters relating to evaluations.¹⁹ The composition of the Committee will be proposed by the Chairman of the Executive Board, in consultation with the Dean, and approved by the Board.~~ To follow closely the evaluation function in the Fund and advise the Executive Board on matters relating to evaluations, including those of the IEO. The composition of the Committee will be proposed by the Chairman of the Executive Board, in consultation with the Dean, and approved by the Board.²⁰

Pension Committee (PC)

Chair: Managing Director/Deputy Managing Director

Terms of reference: To decide all matters of a general policy nature arising under the Staff Retirement Plan, and all other matters, including any interpretation of the provisions of the Plan, required to be decided by it under the provisions of the Plan or submitted to it by any Committee appointed by it. The members of the Committee are the Managing Director, ex

¹⁹ See also chapter 11.d., containing the Terms of Reference of the Independent Evaluation Office.

²⁰ See also chapter 11.d., containing the Terms of Reference of the Independent Evaluation Office.

officio, four Executive Directors elected biennially by the Executive Directors, one staff member appointed by the Managing Director, and one staff member elected biennially by the participants. The term of elected members, Board and staff, expires on October 31, 2008.

Ethics Committee (EC)

Chair: Executive Director

An Ethics Committee, comprised of five Executive Directors, considers matters related to the Code of Conduct.²¹ In addition, if requested to by Executive Directors, the Committee gives guidance to them on ethical aspects of conduct of their Alternates, Advisors and assistants.

The Executive Board selects a Chairperson, four members, and five alternate members from among Executive Directors. They are selected on the occasion of a general election of Executive Directors, and serve for two years. If the Chairperson, a member or an alternate member resigns, a new Chairperson, member or alternate member shall be selected by the Executive Board to complete the remainder of the term.

| *Updated ~~3/1/07~~9/xx/09.*

²¹ Adopted on July 14, 2000. The text of the Code of Conduct for Members of the Executive Board is contained in chapter 11.c. of this Compendium.

2. d. Executive Board Committees in Addition to the Standing Committees

In addition to the standing committees, the following committees of Executive Directors may be established as the need arises.

Committee on Membership

A committee of some seven or eight Directors is established to consider a country's application for membership in the Fund. A membership committee is chaired by one of the Executive Directors serving on the committee. The committee considers a report by the staff on a proposed quota for the new member and makes a recommendation to the Executive Board, which then sends a resolution for adoption by the Board of Governors.

Committee on Rules for the Election of Executive Directors

Every two years, the election of Executive Directors takes place at the time of the Annual Meetings. The election is conducted on the basis of rules recommended by a committee of about eight Executive Directors, one of whom serves as the chairman. The recommended rules are forwarded by the Committee to the Executive Board, which then proposes a resolution for adoption by the Board of Governors through a vote by mail in advance of the Annual Meetings.

Committee on the Ad Hoc Quota Increase of a Member Country

Any member may request a special, ad hoc increase in its quota, outside the context of the regular quinquennial review of quotas. The request is usually considered initially by a committee of some six or seven Executive Directors, with a committee member serving as the chairman. The committee's recommendation is forwarded to the Executive Board, which then proposes a resolution for adoption by the Board of Governors through a vote by mail.

Reviewed 3/1/07.

III. DOCUMENTATION FOR MEETINGS

3. a. Guidelines on Minimum Circulation Periods for Executive Board Documents²²

The following documents are required to meet a **minimum circulation period of three weeks**:

- ~~Staff reports on Article IV consultations with members that are considered to have an important regional or systemic impact. A list of these countries, established in 1997, is provided in the attachment.~~
- Policy papers, including for Board seminars and committee meetings, except in rare cases as specified below.
- All background documentation for policy papers ~~and for stand-alone Article IV consultations for which the staff report is to be circulated a minimum of three weeks in advance.~~

The following documents are required to meet a **minimum circulation period of two weeks**:

- Staff reports and background documentation on Article IV consultations ~~for members not listed in the attachment.~~
- Staff reports on use of Fund resources, including requests and reviews.
- Staff reports that combine use of Fund resources with Article IV consultations.
- A small number of policy papers that appear on a regular basis, including (i) time-sensitive material in Global Financial Stability Reports; (ii) the overview sections of the World Economic Outlook and World Economic and Market Developments papers; (iii) preliminary proposals for meetings of the Budget Committee; (iv) papers on the review of the Fund's income position, rate of charge, precautionary balances, and burden sharing; and (v) papers routinely circulated for lapse of time consideration

²² The Executive Board approved on July 18, 1997, minimum circulation periods for Executive Board documents (EBD/97/66, Sup. 2, July 21, 1997). These were supplemented by understandings reached on January 23, 2003, by the Agenda and Procedures Committee concerning principal policy papers, and further clarified on January 14, 2004, as related in a memorandum from the Secretary to department heads. Subsequently, EBD/09/8 (1/27/09) revised the circulation periods contained in EBD/97/66, Sup. 2 by establishing a two-week circulation period for all Article IV documentation.

for which an Executive Director has requested a meeting of the Board (e.g., financial transactions and designation plan, report on the Fund's liquidity position).²³

In recent years, papers subsequently issued as reports to the IMFC, including the Managing Director's report on the Fund's policy agenda, have generally been circulated to the Board one week before the IMFC meeting.

In calculating the minimum circulation period, the days of the informal Board recess, generally two weeks in August, remain working days and count toward fulfillment of the circulation period, as Executive Directors' offices are operational during that period.

Requests for a Waiver of the Circulation Period

For country papers, when the minimum circulation period to allow for Board consideration of the paper on the date desired is not met, the Executive Director concerned may request a waiver of the minimum circulation period at a Board meeting. The request for a waiver is normally taken up under other business, and the Director concerned should provide an explanation of the reasons for the request. He or she need not send a separate e-mail message on the matter to other Executive Directors. In February 2002, the Agenda and Procedures Committee agreed to a one-day grace period for the circulation of country papers, in order to reduce recourse to the cumbersome procedure of requesting a waiver for only a minor breach of the minimum circulation period.

Policy Papers: Breaches of the Rule on the Minimum Circulation Period, and Rescheduling of Board Discussion

In accordance with the understanding reached in the Agenda and Procedures Committee in January 2003, if the date of circulation of policy papers breaches the minimum circulation period by more than 2 days, the Secretary provides a brief explanation in the cover memorandum of the paper of the urgency and rationale for proceeding with the discussion as planned, and the reasons for the delay in circulating the paper. If a policy paper that has already been scheduled for discussion needs to be rescheduled because of a delay in its circulation, a substantive explanation of the reasons for the delay is provided.²⁴

Updated 3/1/07/xx/09.

²³ Under (v), the minimum circulation period includes the duration of the lapse of time period, generally 5 working days.

²⁴ With the closer monitoring by SEC of the progress of preparation of policy papers, breaches of the rule on the minimum circulation period for such papers have become rare, and this provision is now seldom invoked.

Countries Requiring Three-Week Circulation Period²⁵

African Department

Cameroon	Kenya
Congo, Dem.	Mozambique
Rep. of	Nigeria
Côte d'Ivoire	South Africa

Asia and Pacific Department

Australia	Korea
Bangladesh	Malaysia
China	New Zealand
India	Philippines
Indonesia	Thailand
Japan	

European Department

Austria	Luxembourg
Belgium	Netherlands
Denmark	Norway
Finland	Poland
France	Portugal
Germany	Russian Federation
Greece	Spain
Hungary	Sweden
Iceland	Switzerland
Ireland	Turkey
Israel	Ukraine
Italy	United Kingdom

Middle East and Central Asia Department

Algeria	Morocco
Egypt	Pakistan
Iran, Islamic	Saudi Arabia
Republic of	Sudan
Kazakhstan	

²⁵ Defined in EBD/97/66, Sup. 2, July 21, 1997.

Western Hemisphere Department	
Argentina	Mexico
Brazil	Peru
Canada	United States
Chile	Venezuela, República Bolivariana de
Colombia	

3. b. Treatment of Sensitive Documents

Background

Fund staff are guided by General Administrative Order Number 35, Revision ~~42~~, on Information Security (-effective ~~October 31, 2002~~November 1, 2007) on the procedures for the classification of Executive Board documents, which fall into one of four categories. Documents approved to be made available inside and outside the Fund are considered as unclassified. Documents containing information intended for all staff without restriction, which in some cases may be shared with national officials or other authorized individuals or institutions, are classified “for official use only.” About 90 percent of documents fall into this category. The classification “confidential” applies to documents containing information that is sensitive and should be distributed on a “need to know” basis. The classification “strictly confidential” applies to documents containing information that is very sensitive and whose distribution must be strictly limited. Only a very small number of documents fall into this category over the course of a year.

Classification

The authoring department, in consultation with the Secretary of the Fund, is responsible for the classification of all documents issued to the Executive Board and the Board of Governors and their respective committees in the categories “for official use only” and “confidential.” The determination whether a Board document should be classified as “strictly confidential” is made by the Secretary in consultation with the staff/management and, in the case of a country report, with the Executive Director concerned, based on an assessment of whether the information in the paper is deemed to be particularly sensitive.

Circulation

The classification of a document is reflected in its circulation; for a “strictly confidential” document, circulation is greatly restricted. Each Executive Director’s office initially receives a limited number of copies of such documents in sealed envelopes and is required to sign for their receipt. SEC keeps a record of the copies sent to each Executive Director’s office, and each office is expected to maintain a record of the distribution of copies within their offices and to their authorities.

Marking

Each copy of a “strictly confidential” document may be imprinted with a unique number which appears on each page of the document and each page is marked “strictly confidential.” The numbering of individual copies is used only rarely for documents requiring the utmost confidentiality.

Reviewed ~~3/1/07~~9/xx/09.

3.c. Access to Documents by Executive Directors and Member Countries Through the Fund's Secure Extranet

The Executive Directors' Information Exchange System—the Executive Directors' secure extranet—is available to all Executive Directors' offices and member country authorities designated by the Executive Director concerned. The extranet gives the member authorities 24-hour access to documents relating to Board discussion items. Users authorized by the Executive Director may sign into the extranet with a SecurID card and password. All offices of Executive Directors now use the extranet.

Documents are posted on the extranet under the relevant agenda item, shortly after issuance to Executive Directors by the Secretary's Department. Background documents and documents for lapse of time approval without meeting are also posted. “Strictly confidential” documents are posted on the secure extranet, with access restricted to selected member officials identified by the relevant Executive Director. Some particularly sensitive documents (such as the review of staff compensation) may be posted on the secure extranet on a case-by-case basis.

The extranet is also used for communicating selected documents to other international organizations, in accordance with arrangements for the exchange of documents with them (refer to chapter 10. c. on exchange of documents with other international organizations).

Updated 3/1/07.

3. d. Acronyms and Abbreviations in Fund Documents

The Secretary's Department recommends that use of acronyms and abbreviations in staff reports be limited. Those documents that contain more than a limited number of acronyms and abbreviations are expected to contain a glossary.

Incorporated 3/1/07.

IV. PROGRAM MONITORING

4. a. Side Letters²⁶

Confidentiality

The existence and content of side letters will be treated with the utmost confidentiality by management, Fund staff, and Executive Directors.

Definition of side letters

A side letter is a letter or other written communication from a member's authorities to Fund management or staff containing confidential policy understandings complementary to or elaborating upon those in new or currently applicable letters of intent supporting a request for the use of Fund resources.

Understandings contained in side letters will not contradict or detract from those contained in the applicable letters of intent.

Use of side letters

Members requesting the use of Fund resources are encouraged to include all policy undertakings in letters of intent. Side letters will be used sparingly and only in those circumstances which the authorities consider, and management agrees, require such exceptional communication.

The use of side letters to keep certain understandings confidential can be justified only if their publication would directly undermine the authorities' ability to implement the program or render implementation more costly. Accordingly, their use will normally be limited to cases in which the premature release of the information would cause adverse market reaction or undermine the authorities' efforts to prepare the domestic groundwork for a measure.

While there is no presumption that particular kinds of measures would be conveyed in a side letter rather than a letter of intent, some matters that could in some cases be considered for inclusion in side letters would be: (i) exchange market intervention rules; (ii) bank closures; (iii) contingent fiscal measures; and (iv) measures affecting key prices.

²⁶ This material is based on an Executive Board Decision No. 12067-(99/108), adopted on September 22, 1999, on procedures for side letters in UFR cases. For further reference, see "Side Letters and the Use of Fund Resources," SM/99/66, March 10, 1999, and follow-up papers, SM/99/85, April 5, 1999, and SM/99/163, July 7, 1999.

Communication of side letters to the Executive Board

Fund staff will advise members' authorities of this decision pertaining to the communication of side letters to the Executive Board before the authorities send side letters.

The Executive Board will consider any side letter in a restricted session soon after the relevant letter of intent is issued to the Board. The Secretary's Department will telephone the offices of Executive Directors to inform them of the precise starting time of the meeting on the side letter. To ensure strict confidentiality, Board meetings to discuss side letters will be announced to those directly involved, and meeting notifications will not be included in e-mails announcing the Board Calendar or the starting time of regularly scheduled Board items. At the session, each Executive Director's constituency will be represented by only one person. A numbered copy of the side letter will be made available to each such representative and, at the end of the meeting, each copy will be returned. The copies will be retained for records purposes in a secure location. Staff will be present to answer any questions, including questions about the circumstances that justified the use of the side letter.

In principle, the full text of a side letter will be communicated to the Executive Board. However, at the request of the authorities, the Managing Director may delete from the copies to be communicated to the Board information of such specificity that:

- (i) it is substantially immaterial to Executive Directors' consideration of the request for the use of Fund resources; and
- (ii) disclosure would: (a) seriously hamper the authorities' capacity to conduct economic policy; or (b) confer an unfair market advantage upon persons not authorized to have knowledge of the information.

Information that might in specific cases be deleted includes: figures regarding foreign exchange markets (e.g., exchange rate intervention triggers or amounts of intervention), names of specific banks or companies, or specific dates for the introduction of certain policy measures.

Communications about side letters by Executive Directors to members' authorities

Executive Directors who decide to communicate information about a side letter to their respective authorities should: (i) limit the recipients to those who have a strict need to know; (ii) inform the recipients of the need to treat the information as highly confidential; and (iii) inform the recipients about the procedures that apply to the communication of side letters to the Executive Board under this decision.

Executive Directors that communicate information about a side letter to their respective authorities will inform promptly the Managing Director and the Executive Director for the member that sent the side letter of such communication.

Reviewed 3/1/07.

4. b. Misreporting by a Member Country

Misreporting is the term applied to any situation in which a member provides inaccurate information to the Fund or fails or refuses to provide complete information to the Fund in a timely manner.

The Fund's legal framework for addressing misreporting is based on two main elements.²⁷ First, the Board has adopted the Misreporting Guidelines,²⁸ including the August 2000 decisions which updated and strengthened both the Guidelines on Corrective Action for Misreporting and Noncomplying Purchases under Fund Arrangements for the General Resources Account, and the Guidelines for Misreporting under the Poverty Reduction and Growth Facility. These guidelines apply in the context of the use of Fund resources and provide procedures and remedies to address cases in which members obtain, on the basis of inaccurate information concerning applicable conditions, resources that they were not entitled to receive. Second, Article VIII, Section 5 requires members to provide the Fund with information the Fund "deems necessary for its activities."²⁹ This Article applies to the provision of information in connection with the Fund's activities, including Fund surveillance and the use of the Fund's general resources.

In 2004, the effectiveness of Article VIII, Section 5 was strengthened by expanding the categories of information that member countries are required to report to the Fund under this Article and by establishing a new framework of procedures and remedial actions to address cases of misreporting which may result in members having breached their obligation under this Article.³⁰ In the context of the use of the Fund's general resources, Article VIII, Section 5 applies to the reporting of information necessary to assess the observance of a performance criterion and other explicitly specified conditions under a Fund arrangement.

²⁷ This chapter does not discuss the HIPC Misreporting Framework adopted by Decision No. 12696-(02/27), March 12, 2002. See "Information Reporting in the Context of HIPC Initiative Assistance—Amendments to the Fund's Legal Framework," EBS/02/36, Sup. 1, March 4, 2002. The chapter also does not discuss misreporting under the Policy Support Instrument (PSI) (see "Policy Support Instrument—Framework," Decision No. 13561-(05/85), October 5, 2005).

²⁸ See "Strengthening the Application of the Guidelines on Misreporting", EBS/00/121, Sup 2, August 1, 2000.

²⁹ The information the Fund deems necessary is, at a minimum, the items listed in Article VIII, Section 5, and includes items in Annex A to Executive Board Decision No. 13183-(04/10), adopted on January 30, 2004.

³⁰ See "Strengthening the Effectiveness of Article VIII, Section 5," SM/03/166, 5/5/03; and "Strengthening the Effectiveness of Article VIII, Section 5—Revised Proposed Decision," SM/03/386, Sup. 1, 1/23/04.

Whenever evidence comes to the attention of the staff indicating that a member has made a purchase in the General Resources Account or received a disbursement under the PRGF that it was not entitled to make under the relevant misreporting guidelines (with a limitation of four years), the Managing Director promptly informs the member concerned. A letter is sent to the authorities and consultations with the member take place. At this early stage, the Executive Board is informed, usually in an informal and restricted session; the staff may issue a written statement outlining the potential problem in advance of the meeting. However, in cases in which the misreporting is judged to be minor (“*de minimis*” cases),³¹ with no impact on program performance, communications with the member may be sent by the Area Department rather than the Managing Director.

The staff then takes the time needed to verify the existence of the misreporting. If, after consultation with the member, the Managing Director determines that the member did make a noncomplying purchase or receive a noncomplying disbursement, he promptly notifies the member of this finding. At the same time, the Managing Director submits a report to the Executive Board together with recommendations. In *de minimis* cases, the Managing Director’s report is included whenever possible in a staff report on other matters, such as a program review or Article IV consultation. Directors then discuss the issue in a formal meeting.³² With respect to misreporting under either the GRA or PRGF misreporting guidelines, after the Executive Board makes a determination that misreporting has occurred, relevant information is required to be made public in every case, with Board review of the text for publication. However, in *de minimis* cases, the finding of a nonobservance of a performance criterion and the Board’s decision to grant a waiver is publicized only in a low-key fashion in the Chair’s Statement, PIN, or other public statement.³³

In cases involving the nonprovision of information or the provision of inaccurate information to the Fund under Article VIII, Section 5, a graduated approach is followed involving, successively, the Managing Director calling upon the member to provide the required information,³⁴ enlisting assistance from the Director concerned, notifying the member of the Managing Director’s intention to make a report to the Board, and submitting a report to the Board with recommendations. Within 90 days of the issuance of the Managing Director’s

³¹ See “Making the Misreporting Policies less Onerous in *De Minimis* Cases—Proposed Decision,” EBS/06/86, Sup. 2, December 13, 2006.

³² If the Board concurs with staff and management that the incidence of misreporting is minor, a waiver is granted for nonobservance of the reporting requirement.

³³ See the Acting Chair’s Summing Up, “Making the Misreporting Policies less Onerous in *De Minimis* Cases,” BUFF/06/125, July 26, 2006.

³⁴ Where the nonprovision of information is judged to be minor, preliminary communications and consultations may be conducted by the Area Department.

report, the Board will consider the report with a view to deciding whether the member has breached its obligations. In *de minimis* cases, the Managing Director's report is included whenever possible in a staff report on another matter, and it recommends that the Fund take no further actions. If a member is found to have breached its obligations under the Articles, it is subject to remedial actions, declaration of censure or the sanctions specified under Article XXVI, except in *de minimis* cases. In cases where the Managing Director concludes that the nonprovision of information or the provision of inaccurate information is due to the member's inability to provide the required information in a timely and accurate fashion, he may inform the Board and the Board may call upon the member to strengthen its capacity to provide the required information. All Board decisions arising from a breach of the obligation taken under the procedures described above give rise to a public announcement, except in *de minimis* cases, where the finding of a breach of obligation is not published. Executive Directors have the opportunity to comment on the public statement to be released, to ensure that the publication of information on each reporting episode is appropriately calibrated to the nature and severity of the case.

Updated 3/1/07.

V. CONDUCT OF BOARD DISCUSSIONS

5. a. Chairing of Executive Board Meetings

Article XII, Section 3 provides that the Managing Director is Chairman of the Executive Board. Rules C-1 and C-2 specify that the Chairman shall call meetings of the Board as the business of the Fund may require, or at the request of any Executive Director. In the absence of the Managing Director, Board meetings are called by the Acting Managing Director. The Secretary informs the Chair of requests from Executive Directors for Board meetings; the Chair determines when to schedule such meetings.

It is the duty and right of the Managing Director to chair meetings of the Executive Board unless there is a reason for his/her unavailability. If the Managing Director is not in the chair, the First Deputy Managing Director, or one of the Deputy Managing Directors, takes the chair.

An Executive Director may not call, but may chair a Board meeting. This would happen pursuant to rule C-5(b) in the rare circumstance where management would call a meeting, but the Managing Director, the First Deputy Managing Director, and the Deputy Managing Directors are unavailable at the time of the meeting. In that case, an Executive Director selected by the Executive Board would chair the Board meeting. The Executive Directors would select a Chair from among them at the beginning of the meeting, before taking up the items of business. The Secretary would inform Executive Directors in advance that it will be necessary for the Board to choose an Executive Director to serve as Acting Chair for that meeting. The Executive Director so chosen retains his right to vote as the Executive Director for the constituency that elected or appointed him, but does not have the Managing Director's right to cast the deciding vote in case of an equal division.

When the Managing Director should not be involved in a meeting because of a conflict of interest, it has been customary for the Dean of the Board, or in his absence, the next most senior Executive Director in terms of length of service on the Board, to chair the meeting.

On occasion, Executive Directors have met informally, with the Dean chairing the meeting. If in the course of such an informal meeting with the Dean as Chair it becomes apparent that a formal decision of the Executive Board is needed, a formal Board meeting is convened and chaired by management, or a decision is taken by the Board on a lapse of time basis.

Reviewed 3/1/07.

5. b. Executive Directors' Interventions at Board Meetings—Speakers' List, and Buff and Gray Statements

The Board has traditionally sought to keep its deliberations as interactive as possible, to promote a high-quality debate and a better understanding of different points of view among Board members, management and staff. The encouragement of a judicious balance between statements submitted by Executive Directors in advance of the meeting (“gray statements”—see below) and oral interventions during the Board meeting, punctuated by extemporaneous exchanges and give-and-take, has proven most successful in promoting the effectiveness and candor of Board meetings. Nevertheless, the overriding principle is that all Executive Directors must have a full opportunity to express their views in whatever way they feel is appropriate.

Speakers' List and Other Requests to Speak

Executive Directors usually indicate their intention to speak on items on the agenda in advance of the Board meeting. A speakers' list is opened on the Secretary's Department website for Board agenda items on a rolling basis two weeks ahead. Executive Directors or their staff may request a particular slot on the speakers' order; slots are allotted on a first-come, first-serve basis. The speakers' list also shows which Directors have issued gray statements, and whether the staff intends to make an oral statement. The Chair follows the speakers' list in calling on Directors to make interventions during the meeting. If a Director has not placed his/her name on the list in advance, a request to speak can be given to the Board room receptionist or sent or signaled to the Secretary at the Board meeting.

Buff Executive Director's Statements

Buff ED statements are virtually always issued by the Executive Director concerned to introduce a Board discussion on a country in his/her constituency. These statements may supplement factual material in the staff report and contain the views of the Executive Director and/or of the authorities on policy issues. Buff statements may also be issued by staff on country items to update material in the staff report and by management and/or staff on policy or other items to focus on key aspects of the issue under discussion.

Gray Statements

Gray statements are intended to allow Board members to make their opinions known informally before a Board discussion. They provide a starting point on which other speakers can focus their interventions, and help to avoid repetition, and for these reasons, they are generally encouraged. They should be sent to the Secretary's Department for circulation by 12 noon on the day before the meeting to allow other Executive Directors sufficient time to review their content. In any case, gray statements must be received by the Secretary's Department--Documents Section no later than 5:00 p.m. in order to be circulated that day. Statements received after 5:00 p.m. will be circulated the next day. It is suggested that, in light of the frequency of changes in staffing in Executive Directors' offices, headings of gray statements always include the name of the Executive Director or Alternate Executive

Director, even when neither one will be present at the meeting. This is helpful in attributing statements correctly to constituencies.

Gray statements are issued electronically. They are sent by e-mail to Executive Directors and posted on the Secretary's Department website in a registry of grays, which is organized by agenda item to facilitate reference. Grays are not posted on the secure extranet. At the same time, Directors have agreed that the texts of their grays can be made available to the authorities of other chairs, as needed, on the understanding that the texts are confidential and should not be shared with the public, and that they set forth preliminary views that may change.

Use of gray statements has become widespread in recent years, for both country and policy items. There is no rule regarding the length of a gray statement, but there is a presumption that it would be reasonably short—say, 1-3 single-spaced pages. Including a text box at the beginning of the gray that summarizes its key points in “bullet” format has proved to be most helpful, particularly for statements longer than 2-3 pages. Gray statements are marked as preliminary, and as such their contents are subject to change.

The Choice Between an Oral and a Written Intervention

An Executive Director is free to choose whether to issue a gray or make an oral statement. It is suggested that the choice between an oral and a written intervention should reflect the intended effect of the intervention on the Board, management, and staff, and be consistent with making the most judicious use of the Board's time. Executive Directors have found the following elements as useful guidance in arriving at a decision on this issue:

- Technical points or complicated issues can often be conveyed more effectively in a gray statement;
- Issuing a gray statement at an early juncture before a Board meeting can be particularly useful if the intention is to garner support for a position from other Directors;
- An oral intervention is generally considered most effective when it is short and reflects key points; repetition of points in the staff paper or what previous speakers have said should be avoided;
- Making an oral intervention can be useful in stimulating an impromptu discussion or a more candid debate.

Two-Round Order of the Board Meeting

In the conduct of Board meetings, all Executive Directors have an opportunity to articulate and explain their positions fully on an issue at the outset, in the form of either a gray statement or an oral intervention, which are considered to have equal weight. Such interventions constitute broadly the “first round” of the Board meeting.

Board discussion typically starts with an invitation by the Chair to all Directors who have circulated a gray statement before the meeting to provide any factual clarifications or additional information. The names of any Directors who have circulated a gray statement late—say, just before the start of the meeting—can be placed on the Speakers’ List, to provide them with an opportunity to summarize the main points in the statement, which other Directors may not have had time to read. If the grays have raised specific points that need clarification at an early stage, the Chair may ask the staff to explain them briefly, to avoid misunderstandings and launch the meeting on the right track. Subsequently, all oral interventions by Executive Directors who have asked to be placed on the Speakers’ List are completed. This is generally followed by the staff’s responses to the substantive questions in grays and oral interventions. “Two-handed” interventions are made as needed.

Directors who wish to make substantive remarks to follow up on their gray or initial oral statement are encouraged to do so after all opening statements have been heard and staff have responded to substantive questions. This is the “second round” of the meeting.

Updated 3/1/07.

5. c. Guidelines for Efficient and Effective Interventions in Board Discussions³⁵

1. Speakers should refrain from describing underlying economic conditions unless they have not been adequately or accurately characterized in the staff report. Similarly, there is rarely a need for a speaker to repeat statistics in the staff report unless the figures are needed to make a point not previously addressed.
2. When Directors require factual information or points of clarification, they should seek to obtain these from staff prior to the meeting. Staff comments during the meeting should concentrate on major issues arising from Directors' remarks. The Chair should encourage staff to address specific factual or technical questions from individual Directors bilaterally (i.e., outside the meeting). Individual Directors or staff may advise all Directors of bilateral exchanges considered to be of general interest.
3. Directors making oral interventions could—when, and if, possible and appropriate—provide copies of their statements to staff prior to the meeting to facilitate comprehensive and clear responses during the meeting. Such a practice is by no means compulsory and is entirely at the discretion of individual Directors.
4. When a speaker agrees with views previously expressed in Grays or in earlier interventions and wishes to make a point “for emphasis”, they should associate themselves with the views of others rather than repeating the argumentation.(e.g., “On issue “x”, I concur with staff and/or the views expressed by....”). Where the views expressed in Grays or Buffs conform to views in the staff report, they should also make use of “association” where appropriate and helpful.
5. To facilitate a speaker's ability to condense interventions through greater use of “association”, authors of Buffs and Grays are encouraged to submit their statements as early as possible. Authors of Buffs should endeavor to make their statements available at least 48 hours before they are to be discussed; authors of Grays should submit their statements preferably by 12 noon and no later than 5:00 p.m. the day prior to the discussion. It should be assumed that all written statements circulated have been read prior to the meeting.
6. Speakers who wish to prepare “comprehensive” and detailed interventions that reiterate the views expressed in the staff report, should table their interventions “for the record” and, if a spoken intervention is still considered to be of value to the Board, the speaker should make extensive use of “association” and/or restrict his or herself to points not yet made in the discussion or staff report.

³⁵ The guidelines were prepared by Executive Directors for their use and circulated by the Secretary in a memorandum to Executive Directors in June -2000. A modified speaker time indicator system in the Board Room was considered at the June 11, 2009 meeting of the Agenda and Procedures Committee (see EB/APC/Mtg/09/2, 7/6/09).

7. “Two-handed” interventions would be made as desired. During the meeting, an Executive Director may indicate to the Chair his wish to speak by raising one hand; the Secretary will take such requests in the order that the signal of a Director is noticed. A two-handed intervention is a request by an Executive Director to be recognized immediately by the Chair to respond in order to elaborate on or correct a point made by the previous speaker, or to raise a procedural issue.

8. Throughout the discussion, the Chair seeks clarification from Directors where necessary. In an effort to facilitate a balanced discussion, the Chair may raise or highlight particular points that will help focus the discussion and assist staff in adequately responding to the issues raised by Directors.

9. To encourage more efficient oral interventions, the Agenda and Procedures Committee agreed at its June 11, 2009 meeting that a presumption would exist that normally any single intervention would be expected to last no more than 6 minutes. To that end, the existing microphone-activated timer would be modified to count down from the 6 minute mark. Thereafter, the timer would continue to count backwards indicating a negative number. For country items, the concluding statement by the Director for the country concerned would be exempt. It was stressed that the 6-minute timeframe was only an indicative limit intended to help focus interventions, and that Directors would retain the right to speak as long as they considered necessary.

Reviewed ~~3/1/07~~9/xx/09.

5. d. Staff Answers at Board Meetings

In answering Executive Directors' questions at a Board meeting, staff should endeavor to focus on the principal themes of the staff position that have attracted Board comments, in order to promote a useful discussion. The staff has to decide how much detail to provide, what to respond to in the Board room and what to handle afterwards bilaterally, and so on. The staff should limit its commentary to key points and avoid -excessively lengthy and detailed answers. Some general guidelines to assist are presented below:

1. In preparing for the Board meeting, staff will find it useful to read, in addition to the preliminary statements ("grays") circulated by Executive Directors in advance, the minutes of the previous discussion of the same country or policy issue. Staff should try to anticipate questions that might be asked, and prepare brief answers for use if needed during the discussion. SEC will usually provide to staff at the table a summary of the main points and questions raised in the grays as early as possible on the morning of the meeting.
2. Staff should not read out a long prepared statement with many facts at the beginning of the meeting—a BUFF staff statement should be used for updating factual material in the staff report.
3. In order to facilitate a balanced discussion in the context of a complex or contentious discussion, the Chair may raise or highlight particular points that will help focus the meeting, and which can assist the staff in identifying sensitive areas and providing more effective responses to the issues raised by Directors.
4. As a general rule, when giving answers, staff should address the Chair and/or the Board as a whole; staff should try to avoid referring to individual Executive Directors. To save the time of management and the Board, answers should be kept brief and precisely directed to the questions asked. Staff should avoid reading out a series of lengthy answers. For country items, answers should normally not exceed 15 minutes in total; for policy items, it may be appropriate to take more time. Wherever possible, answers should be grouped around a few key themes—e.g., fiscal policy, interest rates, etc. Staff should refrain from making unsolicited comments on policy or program objectives.
5. Staff should not make statements that convey the impression that it is representing the member—the Executive Director may communicate the member's views. The staff may explain why in the staff's view the program or the authorities' policies meet—or fall short of—the Fund's criteria.
6. If an Executive Director's question is unclear, he/she may be asked to repeat it. If time permits, the staff may want to send a note to an Executive Director asking for clarification of the question. The Chair, or the Secretary, may be able to help the staff understand a question. Time permitting, the Board operations officer (who sits at a table behind the Chair) is prepared to help in looking at the transcript as it is prepared, and which is available to him or her during the discussion. The staff team back-stopping the staff member at the table can help with answers.

7. If a few of the questions seem to be narrowly technical or only of marginal relevance to the substance of the discussion, it is appropriate to refer to the points and state that the staff will provide written answers to questions posed in grays issued by Executive Directors~~deal with them on a bilateral basis~~ after the meeting.³⁶ These written answers are then circulated to all Executive Directors by SEC.³⁷ If the staff does not know the answer, he or she -should say so.
8. If possible, staff should avoid repeating the whole question or an Executive Director's specific comments—this unnecessarily lengthens the response time. At most, the staff can refer to the question briefly, for example, “In answer to the question about interest rates,”
9. The staff should not say that the World Bank staff will answer questions about the Bank. It is the Chair's prerogative to decide whether or not to invite the Bank staff to speak. If staff believes that a particular question would best be answered by the World Bank representative, staff should send a note to the Secretary suggesting that the representative be called on.
10. The Chair (or the Secretary) may pass the staff a note during the meeting, with suggestions or comments about how a question should be handled. This may occur, for example, when the discussion has been difficult or controversial, the objective being to help bring the matter to closure.
11. If the staff wishes to send a note to the Secretary, he or she should ask the messenger to take it—using the “call” button next to the “MIC” button on the microphone panel.

Updated ~~3/1/07~~9/xx/09.

³⁶ ~~For example, the staff might say: “With respect to the points on [stability of money demand], [the dispersion of import tariffs], and [.....], I propose to address these issues bilaterally with the Executive Directors concerned following this meeting.”~~

³⁷ Such answers by staff to questions posed in grays are annexed to the Board minutes, indicating that they were circulated to Executive Directors after the Board meeting.

5. e. The Chair's Welcoming and Farewell Remarks for Executive Directors and Alternates

In accordance with longstanding tradition, the Chair welcomes new Executive Directors and Alternates to the Executive Board, and offers farewell concluding remarks upon their departure. If possible, these remarks are offered, respectively, on the first day the new Executive Director or Alternate participates in a formal Board meeting; and during the last Board meeting in which the Director or Alternate participates. Welcoming remarks are short, with the purpose of introducing the new Executive Director or Alternate to his/her colleagues, touching briefly on his/her past academic and professional experience.

Concluding remarks are somewhat longer and more reflective and personal, focusing on the departing member's contributions to the work of the Fund and any interests or causes that he/she has championed while on the Board. After the Chair has delivered his/her farewell concluding remarks, he/she presents the departing member with a small gift, a token of the Fund's appreciation for his/her contributions to the work of the Board.

No response is expected by new Directors and Alternates to the Chair's welcoming remarks. In the case of the Chair's farewell remarks, departing Executive Directors or Alternates have traditionally wished to prepare a response. Time is made available for this purpose. The farewell remarks are circulated to Executive Directors and staff if the Executive Director or Alternate so wishes.

Reviewed 3/1/079/xx/09.

VI. DECISION- MAKING IN THE BOARD

6. a. Decision- Making Process³⁸

The Executive Board is authorized to exercise all the powers of the Board of Governors, except those conferred directly by the Articles of Agreement on the Board of Governors.³⁹ As a result, the bulk of decisions are taken by the Executive Board. Proposed decisions, where required, are normally incorporated into staff documents and circulated to Directors well in advance of meetings. The Fund has developed a practice that incorporates the provision of legal advice in the decision making process, by having the prior approval of the legal advisor before circulating a proposed decision.

In order for an administrative decision to be valid, three conditions must be met: the decision must be made (i) by a competent organ, (ii) in accordance with the required procedure, and (iii) consistently with the substantive requirements governing the contents of the decision. Between the Board of Governors and the Executive Board, the allocation of powers does not raise particular difficulties, since all the powers that are not explicitly conferred by the Articles on the Board of Governors have been delegated to the Executive Board. Between the Executive Board and the Managing Director, there is a body of decisions and practices on which the delineation of powers can be made, but this body is in constant evolution. With regard to procedural requirements for the Executive Board, there are rules (in particular, the C-Rules) and guidelines on formal voting and ascertainment of the sense of the meeting; requirements on majorities of the votes cast; and different types of formulations for different types of decisions, including summings up (see separate notes on these topics as well as the following paragraph).

Summings up are an essential part of the decision making process (see separate note) which, by long tradition, stresses consensus building in the Executive Board. They are a helpful vehicle for recording consensus views, while simultaneously taking account of any significant nuances of views—possibly including even dissent by some chairs—that would be difficult to reflect in a decision. As such, they enhance the record of the Board's

³⁸ For more detailed information, see “Decision-Making in the International Monetary Fund,” by Francois Gianviti, December 28, 1998, which is available on the Secretary's Department website. Also, for a commentary on the difference between a summing up and a formal decision, see “Statement by the General Counsel on Review of Fund Facilities-- “No amendment” Provisions in Decisions of the Executive Board”, Buff/00/169, November 15, 2000.

³⁹ The delegation of authority to the Executive Board by the Board of Governors is contained in Section 15 of the By-Laws.

agreement. This has proven especially true for summings up of policy discussions, where the nuances of Directors' thinking that lie behind and explain the actual outcome can be laid out.

Reviewed 3/1/07.

6. b. Summings Up, Concluding Remarks and Chairman's Statements⁴⁰

A table summarizing Fund policy and practice on issuing summings up, concluding remarks, Chair's statements, and/or Executive Board decisions in the context of the items considered can be seen in a box at the end of this chapter.

Summings Up originated in the context of Article IV consultations during the late 1970s. The Board favored a mechanism that would allow its considerations to be captured, primarily for the authorities of the country concerned, in a less formal and more candid manner than a decision. Summings up were progressively extended to cover noncountry items in the 1980s and to use of Fund resources discussions in the late 1990s. In all cases, the overriding objective is to present the Chair's view of the "sense of the meeting." The content and functions vary depending on the type of discussion, but the summing up usually gives a broad overview of the key issues raised, the views of Directors, their recommendations and, in some cases, decisions of the Board.⁴¹ In other cases, the summing up provides the context of the decision. The summing up never qualifies or otherwise reduces the force of the decision itself, and in all cases of discrepancies between the text of the summing up and the decision, the latter prevails. Summings up on policy issues identify clearly areas of consensus among Directors and unresolved issues. When summings up note differences of view between the staff appraisal and Directors, or among Directors themselves, they do not attribute views to particular Directors.

Concluding Remarks are now issued for Board seminars, where the discussion is preliminary or evolving, with a view to helping the discussion move forward. In these cases, there are no specific decisions or agreements to record, and there is no need to ascertain formally the "sense of the meeting."⁴² There are no specific rules for the content of concluding remarks, which may incorporate personal views of the Chair.

The Secretary is responsible for checking the accuracy of drafts of summings up and concluding remarks carefully both at the time they ~~are~~may be delivered, and again after the

⁴⁰ For further reference, see "Transparency of the Fund and Its Members' Policies: Consolidated Guidance Note for Fund Staff on Publication of Documents," which is posted on the ~~PDR~~SPR Department website.

⁴¹ See "Statement by the General Counsel on Review of Fund Facilities--"Nonamendment" Provisions in Decisions of the Executive Board," BUFF/00/169, November 15, 2000 for a discussion of the conditions to be met for an understanding in a summing up to constitute a decision.

⁴² To emphasize that concluding remarks do not represent a decision of the Executive Board, the following disclaimer is placed on the first page of all concluding remarks: "These concluding remarks do not reflect decisions of the Executive Board but rather preliminary views expressed by Executive Directors in a discussion conducted in seminar format."

Board meeting. All Executive Directors review summings up and concluding remarks on noncountry items (including policy items, discussions of the World Economic Outlook, and the Global Financial Stability Report) before their finalization, and the Executive Director for the country concerned reviews the summing up on a country item before its finalization. Ultimate responsibility for the text rests with the Chair, on the advice of the Secretary. Once the text of a summing up or of concluding remarks has been through the clearance process, it is not the practice to go back later to review the records with a view to confirming that the views expressed in the Board have been accurately reflected, or to undertake redrafting.⁴³ The final version of the summing up or concluding remarks is incorporated into the Executive Board minutes, which are the official record of the meeting.

Types of Summings Up

The summing up for surveillance discussions—including Article IV consultations, regional surveillance, and post-program monitoring—completes the consultation cycle. It should cover all surveillance issues, including the macroeconomic outlook, and reflect Directors' views on the staff's appraisal of the member's past policies and its expectations and recommendations regarding the future.

The short form summing up for Article IV consultations was designed for cases when there is little or no discussion by Directors on the staff report. The standard format for the short form indicates that Executive Directors agreed with the thrust of the staff appraisal and approved the consultation cycle for the country concerned. The short form summing up is now rarely used.

The summing up for use of Fund resources discussions is intended to provide a vehicle to convey to the authorities Directors' views on specific issues related to a country's program with the Fund. It should focus on the program and be brief. It should give Directors' forward-looking views on key elements of the program required to ensure its success; and may contain dissenting views or critical comments from Directors about the viability of the program.

In the case of combined Article IV/UFR discussions, a few pointed paragraphs on UFR issues alone are placed at the end of the standard Article IV summing up if such paragraphs are considered necessary. Only the Article IV part is included in the public information notice (PIN). The practice of preparing a separate internal summing up on UFR issues has been discontinued.

In the case of Article IV consultations incorporating ex post assessments for countries with prolonged use of Fund resources, the Article IV summing up follows the usual

⁴³ In case of a disagreement, an Executive Director has the right to request that the text of the summing up or concluding remarks that has been through the clearance process be reconsidered at a formal Board meeting.

format, including Directors' evaluation of past policy performance and lessons for future policy (based on the ex post assessment).

In the case of combined Board discussions on several UFR issues (for example on a PRGF-supported program, PRSP, and HIPC decision point) only one summing up is prepared which covers the important points on all of those issues.

The summing up for noncountry items generally presents a summary of Directors' views with regard to the issue under discussion, indicating areas on which consensus has been reached and those on which further consideration is required. Discussions on a noncountry item are usually concluded with a summing up even if a formal Board decision on the item has been taken. Summings up are usually not prepared for discussions of proposed decisions on administrative or budgetary issues.

Preparation and Clearance of Summings Up and Concluding Remarks

The initial draft of a summing up or concluding remarks is normally prepared before the Board meeting by staff of the area or functional department that has prepared the discussion paper. The draft is submitted to the Secretary's Department for pro forma clearance at least 48 hours before the Board meeting (for country matters) and at least 72 hours before the meeting (for policy matters), prior to submission to management. The purpose of the review by the Secretary's Department at this stage is to ensure that the draft is in the correct format and in line with the transparency guidelines. The Secretary's Department reviews and revises the draft ahead of the Board meeting, in particular to ensure that views in Directors' gray statements are reflected. The revised draft is provided to the Chair at the meeting. The Secretary's Department and the Chair further amend the draft during the meeting to reflect the ongoing discussion. At the end of ~~the discussions~~ **on country items**, the Chair reads the draft summing up ~~or concluding remarks~~ and gives Executive Directors an opportunity to comment on it. For noncountry items, the Chairman may request to dispense with the reading out of the summing up at the conclusion of the meeting. Any Director may request that a portion, or the full text of the draft summing up be read out, although such instances are expected to be rare. When no summing up is read out, the Chair could provide personal remarks, including on next steps.⁴⁴

For country items, following the Board meeting, the summing up is cleared by staff and reviewed by the Secretary's Department, and then sent for clearance to the Executive Director concerned. For meetings on surveillance of European Union members, the country holding the EU presidency may coordinate clearance of the summing up among all the EU chairs.

For noncountry items, the Secretary, on the advice of the Chair, reviews the summing up or concluding remarks, taking into account the oral comments made at the meeting and the

⁴⁴ See EB/APC/Mtg/09/2, 7/6/09.

record of the discussion, and circulates an e-mail to Executive Directors indicating that the preliminary summing up would be circulated to Executive Directors for review the following day.⁴⁵ The following day, the preliminary summing up is sent by e-mail to Executive Directors. In the two-hour one day following circulation, Executive Directors may send to the Secretary written comments of a material nature on the summing up or concluding remarks. The Executive Director making the comments should copy them to all other Executive Directors. The Secretary then edits the text, as necessary, in keeping with the record of the discussion. The final text is issued under the authority of the Chair.

The two-hour one day period within which written comments may be submitted on the summing up or concluding remarks is specified in the e-mail message from the Secretary. This period normally should not coincide with a Board meeting. However, during peak periods, such as prior to meetings of the IMFC, the Secretary may announce in advance that the period for submission of written comments may coincide with a Board meeting, in which case the period for submission of comments is four hours rather than two hours.

Public Statements including Chairman's Statements

For surveillance items, publication of a public information notice (PIN) is voluntary but presumed. Publication requires, however, the explicit consent of the authorities concerned prior to publication. The PIN incorporates the text of the summing up. In principle, the text of the summing up in the PIN should be identical to the text circulated to Executive Directors within the Fund, although certain market-sensitive information may be deleted at the request of the Executive Director concerned, in accordance with the Board-approved policy on deletions.⁴⁶ The request for a deletion is evaluated by staff and management. The area department coordinates with EXR with a view to having the PIN issued within ten working days of the Board meeting.

For noncountry items, publication of a PIN is presumed, although the Board may decide to hold up publication of a PIN if the discussion has not yet reached a stage of sufficient development that informing the public would be useful. The PIN normally consists of the summing up, preceded by a brief background section putting the issues in context for outside readers. Deletions are governed by the Board-approved policy on deletions.

For use of Fund resources items, a Chair's statement rather than a summing up is published. The Chair's statement forms the basis of a press release (see below). The Chair's

⁴⁵ These procedures were revised in 2007 to reflect suggestions made at an APC meeting (see EB/APC/Mtg/07/1).

⁴⁶ See the transparency policy decision, as amended, in *The Fund's Transparency Policy—Proposed Amendments*, SM/05/292, 7/28/05, and *Guidance Note on the Fund's Transparency Policy*, SM/06/144, 4/19/06.

statement is not usually read out to the Board, but an Executive Director may request the Chair to do so.

Chairman's Statements are intended to inform the public and the markets of the Board's decision on a use of Fund resources program, the Board's overall policy message and guidance to the member, and key points of particular importance to the success of the arrangement. The statements do not attempt to summarize the discussion as a whole, or reflect divergent Board views. They summarize views of the Board, and views are not attributed to individual Directors. The statements are sent to the Executive Director of the country concerned by the Secretary for review before publication within a short time after the Board meeting. The Executive Director may suggest minor revisions to the text and the correction of factual errors. The Secretary then forwards the statement to EXR for public release. The intention is to release the Chairman's statement to the media no later than two hours after the end of the Board meeting.

Coordination with the World Bank requires additional procedures in HIPC cases, as follows:

- In stand-alone HIPC cases where the Fund Board meets before the Bank's Board on the decision, the Chair's statement is embargoed for public release until after the Bank's Board has met, although the statement is still transmitted to the Bank within two hours of the conclusion of the Fund Board discussion.
- In combined PRGF/HIPC or HIPC/PRSP cases where the Fund Board meets before the Bank on the HIPC decision, the Chair's statement can be issued immediately, but it refers only to the PRSP- and PRGF-related aspects of the discussion, and states that: "A final decision on [Country X's] debt relief under the enhanced HIPC Initiative is still pending action [this]/[next] week by the World Bank's Executive Board. A press release will be issued jointly with the World Bank following those deliberations."
- For HIPC decision and completion point discussions, a joint Fund-Bank press release is issued in addition to the Chair's statement. This is not read out to or cleared by the Board. It is prepared by the Bank and Fund staff and cleared only by the Executive Director concerned.

| *Updated 3/1/079/xx/09.*

Summings Up, PINs, Chair's Statements, and Decisions for Board Meetings⁴⁷

<i>Type of Discussion</i>	<i>Summing Up</i>	<i>PIN</i> ^{1/}	<i>Chair's Statement</i> ^{1/}	<i>Board Decision</i>
Article IV Consultation	Yes	Yes	No	No ^{2/}
Post Program Monitoring, or Ex Post Assessment of Longer-Term Program Engagement	Yes	Yes	No	No
Use of Fund Resources	Yes ^{3/}	No	Yes ^{4/}	Yes
Combined Article IV Consultation and Use of Fund Resources	Yes ^{5/}	Yes ^{5/}	Yes ^{6/}	Yes
Regional Surveillance	Yes	Yes ^{7/}	No	No
HIPC Initiative	Yes ^{3/}	No	Yes	Yes
PRSP or JSAN	Yes ^{3/}	No	Yes	No
Policy Support Instrument	Yes ^{3/}	No	Yes	Yes
Procedures related to failure to provide information under Article VIII, Section 5	No	No	Yes ^{8/}	Yes
Misreporting under both the GRA and PRGF misreporting guidelines	No	No	Yes ^{9/}	Yes
Noncountry Items (in Board Meeting or Seminar format)	Summings up for Board meetings; concluding remarks for Seminars	Yes	No	For Board meetings, as needed; for Seminars, no decision

1/ For country items, if the authorities do not consent to the publication of a PIN or of a press release containing the Chair's statement, a brief factual statement will be issued instead.

2/ A decision is needed, however, for the Board to approve the retention or extension of exchange restrictions subject to Fund approval under Article VIII or to conclude an annual consultation with a member maintaining exchange restrictions under the transitional arrangements of Article XIV.

3/ Internal summing up only.

4/ No press release or Chair's statement published on the use of Fund resources may contain a reference to a discussion or decision pertaining to a member's overdue financial obligations to the Fund, unless a press release following a Board decision to limit the member's use of Fund resources because of overdue financial obligations has previously been issued. Furthermore, a Chair's statement is not published for discussions or decisions pertaining solely to a member's overdue financial obligations to the Fund.

Extensions of repurchase expectations may be made public, with the member's consent, in a factual press release (or in the factual section of the press release based on a Chair's Statement if the extension is discussed in a general UFR Board meeting). If a stand-alone UFR discussion is concluded on a lapse-of-time basis (and therefore there is no Chair's Statement), a factual press release will be issued noting that the decision was taken on a lapse-of-time basis.

5/ To the usual summing up of an Article IV consultation is added an internal portion, specially marked out and appearing at the end. This specially marked portion is not published as part of the PIN.

6/ The Chair's statement relates only to the use of Fund resources, not the Article IV consultation.

7/ The issuance of PINs following discussions of regional surveillance is subject to the agreement of all members of the region.

⁴⁷ Based in part on the "Consolidated Guidance Note for Fund Staff on the Publication of Documents," on the PDR website.

8/ In *de minimis* cases, the finding of a breach of obligations is not published.

9/ In *de minimis* cases, the finding of a nonobservance of a performance criterion and the decision to grant a waiver for misreporting is reflected only in a low-key fashion.

6. c. ~~Code Words~~Qualifiers in Summings Up⁴⁸

Rule C-10 of the IMF Rules and Regulations provides that the Chair shall ordinarily ascertain the sense of the meeting in lieu of a formal vote. The practical application of this rule has traditionally sought to enhance the consensus-building process in the Board. As part of this process, it is considered useful to record the extent of support for particular positions.

Although having no formal authority, the qualifiers (or “~~the~~-code words”) were devised and have been generally accepted for this purpose. Whatever their limitations, ~~code words~~qualifiers have the merit of being generally understood for purposes of indicating the approximate number of Executive Directors holding various positions. Of course, the enumeration of Executive Directors’ views always has a qualitative element that the Board, its Chair and the Secretary can hardly ignore. This applies both to the voting majorities that underlie any given enumeration and the strength of views expressed during a discussion. In assessing the use of ~~code words~~qualifiers we should bear in mind not only the number of Executive Directors holding a particular view but also their relative voting power.

The convention is that “most” Executive Directors means 15 or more Directors; “many”—10-15 Directors; “a number”—6-9 Directors; “some”—5-6 Directors; and “a few”—2-4 Directors. Naturally, these terms need to be used with special care when a significant number of Directors have not expressed views: in particular, in the context of Article IV discussions, silence is interpreted to mean that the Executive Director who remains silent also supports the summing up (see separate note on Legal Effects of Executive Director’s Silence). But for other reasons, too, they were never intended to be used mechanically. Indeed, one of their essential and entirely intentional roles is to allow the distribution of Directors’ views to be characterized in an approximate rather than specific manner that relies on voting shares so as to facilitate the emergence of a consensus. The principle by which the chair sums up is intended to encourage the development of a common view that as large a majority of Directors as possible can share.

Within this conceptual metric, the broad term “Directors” without a qualifier is used to convey a sense of the meeting on an issue, without implying that every Director has spoken on an issue or has agreed with the view being expressed. Accordingly, the term “Directors” does not necessarily imply unanimous agreement or full consensus.

The sense of the meeting on an issue can perhaps be said to exist when: (i) the required voting majority would be very comfortably satisfied if there were to be a vote; and (ii) all, or almost all, Directors can go along with the majority view in the sense that they would not wish to vote against it. As mentioned above, finding a consensus has at least two dimensions: one relating to voting power and the other relating simply to the number of Directors (irrespective of their voting power) taking positions, but clearly ~~code words~~qualifiers are better suited to the second of these aspects than the first. ~~Code words~~Qualifiers should be avoided whenever it would convey a misleading impression of the distribution of votes—for

⁴⁸ This chapter is based on the statement by the Secretary on “The Definition of Code Words” to the Executive Board on January 12, 1983, which is available on the Secretary’s Department website.

example, if “a few” Directors commanded a much larger proportion of votes than more numerous group of “some” Directors. In such circumstances, it may be convenient to use expressions referring more explicitly to voting power, such as “a [significant] minority of the Board”, and so on, if an indication of the distribution of voting strengths is considered necessary. In some exceptional instances it may be useful to state that on a given issue “the [required] majority of the Board” took or did not take a certain view. By long tradition, however, references to the distribution of voting strengths are avoided wherever possible, and the more general formulations suggested by the standard code words employed, in order to preserve as much as possible in the summing up the consensus-building character of the Board’s decision-making process.

In the interests of transparency, the qualifiers commonly used in summings up were published beginning September xx, 2009, with a requisite weblink included in all Public Information Notices.⁴⁹ The table below describes the qualifiers most commonly used in summings up.

Qualifiers Commonly Used in Executive Board Summings Up

<u>Qualifier</u>	<u>Number of Executive Directors</u>
<u>A few</u>	<u>2-4</u>
<u>Some</u>	<u>5-6</u>
<u>A number of</u>	<u>6-9</u>
<u>Many</u>	<u>10-15</u>
<u>Most</u>	<u>15 or more</u>
<u>Significant minority of the Board or, in exceptional cases, required majority or a majority of the Board</u>	<u>Indication of necessary voting strength, particularly useful in cases of special majorities</u>
<u>Directors/Executive Board</u>	<u>Sense of the meeting or a sufficient voting majority</u>

Reviewed 3/1/079/xx/09.

⁴⁹ See EB/APC/Mtg/09/2, 7/6/09.

6. d. Formal Votes and Voting in Relation to Sense of Meeting⁵⁰

Any Executive Director may require that a formal vote be taken on an issue, but this is rather exceptional, reflecting the consensus-building tradition of the Board. Unless an Executive Director requests a formal vote, the Chair will “ascertain the sense of the meeting,” which is understood as the position supported by Directors having sufficient votes to carry the question if a vote were taken. The sense of the meeting is often reflected in the summing up (see separate note).

Formal Votes

If a formal vote is taken, the Chair would ask each chair to state its position (for, against, or abstaining); the Secretary would tally the votes; and the result would be announced to the Board and recorded in the final minutes of the meeting. The Articles of Agreement contain numerous provisions on the majorities required for decisions. The basic rule, established by Article XII, Section 5(c), is that decisions are taken by a majority of the votes cast, with abstentions not counted (for further details, see separate note on the legal effects of an Executive Director’s silence). This rule does not apply, however, if the Articles provide that a particular decision can be adopted only by a special majority, that is, by a different majority than the majority of votes cast.

In most cases, there are two types of special majorities, and both are calculated in terms of the total voting power within the Fund: 70 percent and 85 percent.⁵¹ When a special majority of the total voting power is required, an abstention has the same effect as a vote against the proposal. With the Second Amendment of the Articles, the number of decisions requiring special majorities increased considerably; a full list of these is contained in a box at the end of this chapter. This change made it more difficult to adopt certain types of decisions, as a minority can defeat a proposed decision if it can muster more than 15 or 30 percent of the voting power in the form of negative votes or abstentions.

The Chair may, at times, ask Executive Directors to clarify their positions, or ask the Secretary to tally positions, to help him ascertain the distribution of views in the Board, and not because a formal vote is being taken.

Voting in the Executive Board in Relation to Sense of Meeting

The practice of ascertaining the sense of the meeting avoids having to count the vote when the outcome is rather clear. Since votes are not formally counted in this situation, the record

⁵⁰ This chapter is based on the paper “Executive Board Voting in Relation to Sense of Meeting and Proposals by the Chairman,” EBD/77/255, Sup. 2, January 24, 1978.

⁵¹ Different special majorities are required under the provisions of Article XXVI, Section 2(b), and Article XXVII, Section 1(c).

does not always reflect individual positions of Directors on the proposal, but it is always possible for a Director to ask that his/her particular position (for, against, or abstention) be included in the record. (Moreover, his/her gray statement may also clearly reflect his/her position). At the conclusion of the discussion on a matter under consideration by the Board, the Chair, in accordance with Rule C-10, shall ordinarily ascertain the sense of the meeting instead of submitting the matter to a formal vote. However, an Executive Director may call for a formal vote either before or promptly after the Chair has ascertained the sense of the meeting and the vote may be on the proposed decision or any other related proposals.

Principle of Validity of Decisions

Once a decision of the Executive Board is taken, whether by formal vote or by the Chair's ascertainment of the sense of the meeting, and consideration of the issue during the meeting has concluded, it is a final and binding decision; an Executive Director cannot later contest the validity of the decision on the grounds that he was wrongly interpreted by the Chair. An Executive Director may, however, request the reconsideration of an Executive Board decision, and the adoption of a new decision, as an item for the agenda of a future meeting in accordance with the Rules and Regulations of the IMF.

Reviewed 3/1/07.

Special Majorities

The special majorities and participation required for adoption of decisions by the Board of Governors, the Council when established, and the Executive Board, after the second amendment, are summarized below. The majorities are shown according to the order in which they appear in the Articles. All other decisions are taken by a majority of the votes cast.⁵²

Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)	Directly Conferred on
III	2 (c)	Adjustment of quotas	85 percent	Board of Governors (except Article III, Section 2(b))
III	3(a),(d)	Prescription of medium of payment for additional subscription	70 percent	Board of Governors
IV	2(c)	Provision for general exchange arrangements	85 percent	
IV	4	Introduction of system of exchange arrangements based on par values	85 percent	
V	7(c)	Changes in period for repurchase	85 percent	
V	7(d)	Adoption of periods for repurchase of holding acquired under special policy on use of Fund's general resources	85 percent	
V	7(e)	Adoption of policies on repurchase of holding not acquired as a result of purchases	70 percent	
V	7(g)	Postponement of repurchase beyond maximum period	70 percent	

⁵² Reproduced from the Annex to Commentary on Second Amendment; see "Proposed Second Amendment to the Articles of Agreement: A Report by the Executive Directors to the Board of Governors," pp. 81-85 (IMF, 1976).

Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)	Directly Conferred on
V	8(a),(d)	Determination of service charge for purchases	70 percent	
V	8(b),(d)	Determination of rates of charge on holding of currencies	70 percent	
V	8(c),(d)	Imposition of charges deemed appropriate on failure to repurchase	70 percent	
V	9(a)	Determination of rate of remuneration	70 percent	
V	9(c)	Increase in percentage of quotas as level for remuneration	70 percent	
V	12(b),(c)	Sale of gold	85 percent	
V	12(b)(d)	Acceptance of gold instead of special drawing rights or currency in payments to Fund	85 percent	
V	12(b)(e)	Sale of gold at present official price	85 percent	
V	12(f)(i)	Transfer of assets of Special Disbursement Account to General Resources Account	70 percent	
V	12 (f)(ii), (iii)	Use of assets of Special Disbursement Account for operations and transactions not authorized by other provisions and for distribution to developing members	85 percent	
V	12(g)	Transfer of proceeds of sale of gold to Investment Account	85 percent	
V	12(j)	Termination of Special Disbursement Account prior to liquidation of Fund	70 percent	
		Adoption of rules and regulations for administration of Special Disbursement Account	70 percent	
XII	1	Application of Schedule D	85 percent	Board of Governors

Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)	Directly Conferred on
XII	3(b)	Increase or decrease in number of elective Executive Directors	85 percent	Board of Governors
		Maintenance of number of elective Executive Directors	85 percent	Board of Governors
XII	6(d)	Distribution from general reserve	70 percent	
XII	6(f)(ii)	Transfer to Investment Account of currencies held in General Resources Account for immediate investment	70 percent	
XII	6(f)(vi)	Termination of Investment Account or reduction of amount of investment prior to liquidation of Fund	70 percent	
		Adoption of rules and regulations regarding administration of Investment Account	70 percent	
XII	8	Publication of report on member's monetary or economic conditions and developments	70 percent	
XV	2	Determination of method of valuation of special drawing right other than a change in principle or a fundamental change in application of principle in effect	70 percent	
		Change in principle of valuation or fundamental change in application of principle in effect	85 percent	
XVII	3(i)	Prescription of other holders of special drawing rights	85 percent	
XVIII	2(a), 4(a),(d)	Allocation or cancellation of special drawing rights	85 percent	Board of Governors

Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)	Directly Conferred on
XVIII	2(b), 4(a),(d)	Determination of rates at which allocation and cancellation are to be made	85 percent	Board of Governors
XVIII	2(c), 4(a)(d)	Determination of duration of basic period, intervals fro allocations or cancellations, and dates as of which quotas and net cumulative allocations are to be basis for allocations or cancellations	85 percent	Board of Governors
XVIII	3, 4(a)(d)	Change in rates or intervals of allocation or cancellation or in length of basic period, or starting new basic period	85 percent (except decrease in rates of allocation)	Board of Governors
XIX	2(c)	Prescription of operations in which participant may engage in agreement with another participant	70 percent	
XIX	6(b)	Adoption, modification, or abrogation of rules for reconstitution	70 percent	
XIX	7(b)	Adoption of policies to authorize participants to agree on exchange rates other than those applicable under Article XIX, Section 7(a)	85 percent	
		Authorization of individual participants, under these policies, to agree on exchange rates other than those applicable under Article XIX, Section 7(a)	70 percent	
XX	3	Determination of rate of interest on special drawing rights	70 percent	
XXIII	I	Temporary suspension of operation of certain provisions relating to special drawing rights for not more than one year	85 percent	Executive Board (Council)

Article	Section	Subject	Special Majorities (Proportion of Total Voting Power)	Directly Conferred on
XXVI	2(b)	Compulsory withdrawal of a member	Majority of Governors having 85 percent	Board of Governors
XXVII	1(a)	Temporary suspension of operation of certain provisions for not more than one year	85 percent	Executive Board (Council)
XXVII	1(b)	Extension of temporary suspension of operation of provisions	85 percent	Board of Governors
XXVII	1(c)	Termination of suspension under Article XXIII, Section 1 or Article XXVII, Section 1(a)	Absolute majority	Executive Board
XXIX	(b)	Overrule of decision of Committee on Interpretation	85 percent	Board of Governors
XXX	(c)(iii)	Exclusion of purchases and holding under policies on sue of Fund's general resources for purpose of calculating a member's reserve tranche	85 percent	
<i>Schedule Paragraph</i>				
C	5	Adoption of margin or margins for spot exchange transactions	85 percent	
C	8	Objection to termination of par value by member	85 percent	
C	11	Uniform proportionate changes in par values	70 percent	
D	1(a)	Change in number of Associates in Council	85 percent	Board of Governors

6. e. Legal Effects of an Executive Director's Silence⁵³

Most Board decisions are adopted by ascertainment of the sense of the meeting by the Chair; a formal vote is uncommon. The Executive Board has defined "sense of the meeting" as a "position supported by Executive Directors having sufficient votes to carry the question if a vote were taken" (EBM No. 173 (5/28/47)). In determining the sense of the meeting, the Chair may, depending upon the context, place different meanings on the silence of an Executive Director. Thus,

(a) Regardless of the majority required, he/she may conclude that the sense of the meeting is positive because no objection has been made to a proposed decision.

(b) In some situations, the Chair may be more tentative, indicating his/her prospective determination unless he/she hears an objection. Thereupon, he/she may conclude that a decision has been reached.

(c) In all situations, it is open to an Executive Director to ask the Chair how his/her position has been taken into account in the ascertaining of the sense of the meeting.

(d) In addition, it is open to an Executive Director to have his/her position recorded in the minutes, and thus, for example, to record an abstention or to elaborate on the assumptions underlying his position.

(e) An Executive Director can also call for a formal vote on any proposal or issue.

In the context of summings up for Article IV consultations and other country matters, when there is not a formal decision, an Executive Directors' silence is normally considered as support for the staff appraisal or recommendation.

Reviewed 3/1/07.

⁵³ See also the paper entitled "Executive Board Work Procedures," SM/93/18, January 25, 1993.

VII. LAPSE OF TIME PROCEDURES

7. a. Executive Board Decisions by Lapse of Time⁵⁴

The Executive Board can take routine decisions without discussion, that is, on a lapse of time basis. In these cases, the Secretary distributes a paper to the Executive Directors, with an explanatory covering note. The proposal for adoption of a decision on a lapse of time basis contains the proposed decision, specifies the period at the end of which the decision will be deemed adopted unless an Executive Director requests a meeting, and informs Executive Directors that, if the decision is adopted, it will be recorded in the minutes of the next Board meeting following the adoption of the decision. In the minutes, any abstention or objection to the decision, and the name of the Executive Director(s), are recorded.

In response to a lapse of time proposal, Directors must consider two questions: whether they agree with the use of the lapse of time procedure, and whether they agree with the proposed decision. A positive answer to the two questions raised under the procedure is given by silence during the specified period. If any Executive Director objects to the procedure during the specified period, a meeting will be called, and the second question, which is the adoption of the proposed decision, will be resolved at the meeting. Normally, papers for approval on a lapse of time basis are given a minimum circulation period of five working days.

The lapse of time procedure is used for decisions that are expected to be approved without difficulty, with the prime objective of streamlining the work load of the Board. These decisions relate primarily to routine administrative matters and to issues where there has been a prior discussion of the substance of the decision but without a formal text, or when technical changes to the proposed text have to be made. Use has been made of the lapse of time procedure in recent years for (i) Finance Department papers on the Quarterly Designation Plan, the Quarterly Financial Transactions Plan and the Semi-Annual Reviews of the Fund's Liquidity and Financing items, and (ii) for completion of program reviews, in cases where the member's program was on track and where there did not appear to be general policy issues requiring Board input. Lapse of time procedures may also be applied for extensions of the period of arrangements and waivers of performance criteria.

Under the procedure for adoption of a decision on a lapse of time basis, Directors have on occasion requested that their objection or abstention with respect to the decision be recorded, while not asking for a discussion of the issue, and they have been so recorded in the minutes. In some of these cases, the memoranda containing the objection or abstention were circulated to other Board members, but only the objection or abstention, without the underlining reasons, was recorded. Whenever an Executive Director abstains from, or objects to, an

⁵⁴ For further reference, see "Decision Making in the International Monetary Fund", by Francois Gianviti, December 1998, and "Recording of Objections and Abstentions in the Context of Lapse of Time Procedures," SM/98/1, January 5, 1998.

individual HIPC case approved in principle by the Fund Board pending approval by the Bank Board, the same abstention or objection automatically applies to the lapse of time decision that is adopted following the Bank Board discussion.

Reviewed 3/1/07.

7. b. Completion of Article IV Consultations on a Lapse of Time Basis⁵⁵

Regular Article IV consultations constitute a core element of surveillance. The assessment by the Executive Board constitutes a critical element in the consultation process, and in principle, all Article IV consultation reports should be discussed by the Board. Therefore, it is expected that lapse of time completion of Article IV consultations will be resorted to only rarely and in accordance with the following procedure:

1. The Executive Director for the country concerned or, with his or her agreement, one or more other Executive Directors or the Chair, may propose use of the lapse of time procedure. The proposal for lapse of time completion would state the reasons why the proposal seems warranted.
2. The proposal for completion of an Article IV consultation on a lapse of time basis should be made as early as possible before a scheduled Board discussion.
3. An objection to a proposal for lapse of time completion of an Article IV consultation would have to be made at least five business days or one calendar week preceding the originally scheduled Board date. The objection of any one Director would be sufficient to hold the Board discussion as scheduled, and no reasons for the objection would need to be stated. In the absence of an objection, the decision completing the Article IV consultation would be recorded in the minutes of the next Board meeting, which would make it clear that the consultation was completed without an Executive Board meeting.

Where appropriate, the lapse of time decision will include associated decisions to conclude a consultation under Article XIV, to approve restrictions under Article VIII, or to conclude a review in the context of use of Fund resources.

4. If an objection is received, the discussion will take place on the originally scheduled Board date.
5. Upon the completion of a consultation on a lapse of time basis, the Secretary will inform the member by letter that the Board has completed the consultation without a meeting and provide the text of the adopted decision.
6. The lapse of time procedure cannot be used for two consecutive Article IV consultations with the same country. Directors would approach with caution the possibility of using the lapse of time procedure for a member whose previous consultation had been concluded with the short-form summing up. Directors would be cautious in applying the

⁵⁵ The Executive Board approved, on October 23, 1996, the document entitled “Lapse of Time Procedures for Completion of Article IV Consultations—Secretary’s Understanding and Statement of Associate Secretary,” SM/96/214, Sup.1, November 6, 1996.

lapse of time procedure for a member whose consultation cycle is longer than one year and for a member whose consultation was delayed beyond the specified cycle.

7. The reasons given by Director(s) for proposing the use of the lapse of time procedure, and any responses of Directors to that proposal and any comments or qualifications expressed by Directors when agreeing with a lapse of time proposal, will be circulated to all Directors, but would not be made part of the formal record of Board proceedings.

When it is proposed that an Article IV consultation be completed on a lapse of time basis, the Executive Director of the country concerned may issue a statement for the information of the Board to supplement material contained in the staff report. This statement would be distributed in the FO/DIS series, rather than as a BUFF, and not included in the formal record of Board meetings. If requested by the authorities, it could be published as representing the authorities' views alongside the PIN. The statement should be issued prior to the time specified for the lapse of time decision, thereby enabling an Executive Director to request a Board meeting based on the statement, if considered necessary.

In practice, the procedures for the conclusion of Article IV consultations by lapse of time have been used rarely.

Reviewed 3/1/07.

7. c. Lapse of Time Consideration and Approval of Reviews Under Fund Arrangements⁵⁶

1. Use of the lapse of time procedure to complete program reviews under Fund arrangements may be proposed by the Chair, the Executive Director for the country concerned, or, with that Director's agreement, one or more other Executive Directors.⁵⁷

The proposal would state the reasons why lapse of time consideration seemed warranted, and it should be understood that such consideration should not be proposed unless: (i) the staff has determined that all the performance criteria have been met, or where the staff has found that the requested waivers or modifications were minor so that the thrust of the policies and objectives supported by an arrangement could be maintained; and (ii) there did not appear to be any general policy issues requiring Board discussion.

2. Proposals by the Chair for lapse of time approval would be made when a staff paper is circulated to the Executive Board. Proposals by an Executive Director(s) should be made as soon as possible after the paper's circulation. Such a proposal should in general be made at least five business days prior to the scheduled Board date, and would not be entertained if made within the four business days prior to that date.

3. An objection to a proposal for lapse of time approval would have to be made at least two business days preceding the scheduled Board date. The objection of any one Director would be sufficient to hold the Board discussion as scheduled, and no reason for the objection would need to be stated.

4. If an objection is received, the discussion will take place on the originally scheduled Board date.

5. In the event that no objection is received, the proposed decision(s) on the program review would be approved with effect on the date of the originally scheduled Board discussion.⁵⁸ A copy of the approved decision(s) will be sent by the Secretary to the authorities of the country concerned.

⁵⁶ The Executive Board approved these procedures on June 9, 1997. See "Reviews Under Fund Arrangements – Lapse of Time Approval", EBD/96/160, Sup. 1, June, 3, 1997. At a meeting of the APC on November 7, 2006, a review of these arrangements was recommended. It is expected that a revised Board decision will be circulated for approval on a lapse of time basis in the near future, and this chapter will be amended accordingly. See Summary Record of APC Meeting 06/2, EB/APC/Mtg./06/2, November 22, 2006.

⁵⁷ It is noted that, in contrast to the lapse of time procedures for Article IV consultations, the Chair could propose lapse of time consideration for program reviews without consulting the Executive Director of the country concerned. This is in line with current practice where the Chair identifies and makes proposals for lapse of time consideration of program reviews on the basis of his judgment and that of the staff.

⁵⁸ It should be noted that under current practice, when a matter is approved under the lapse of time procedure, unless otherwise specified, the effective date of the decision is the same day
(continued)

6. The reasons given by Director(s) for proposing the use of lapse of time procedure, and any responses of Directors to that proposal and any comments or qualifications expressed by Directors when agreeing to the lapse of time proposal, will be circulated to all Directors but would not be made part of the formal record of Board proceedings.

7. In cases where program reviews are combined with Article IV consultations, it is expected that the lapse of time procedure would be resorted to only rarely, even where the program review itself could be completed on a lapse of time basis.

8. These procedures will be reviewed together with the review of lapse of time procedures for Article IV consultations.

Reviewed 3/1/07.

as the close of the lapse of time period. Consistent with the procedures contained in SM/96/214, Supplement 1, the lapse of time period would close two business days prior to the scheduled Board date and the effective date of decision would be the originally scheduled Board date.

VIII. RECORD-KEEPING

8. a. Minutes of Executive Board Meetings

The Rules and Regulations of the Fund, in particular, Rules C-14, C-15, and C-16, lay out the basic guidelines for the preparation, clearance, and finalization of the minutes of Executive Board meetings. In general, these Rules prescribe a system that aims at establishing a “summary record” (Rule C-14). “Verbatim record” (Rule C-15) and “draft minutes” (Rule C-16) are described as intermediate steps in coming to the final product. The practice of preparing, clearing, and finalizing minutes has been consistent with these guidelines. The minutes are now prepared and circulated on an item-by-item basis.⁵⁹

Preparation

- SEC keeps a verbatim transcript of Executive Board meetings to assist in the preparation of a record of meetings. Upon request, the Operations Division of SEC provides Executive Directors with access to their own verbatim interventions. Directors also have the option of contacting SEC staff to clarify points raised during Board meetings, including by other Executive Directors. The current practice is not to circulate the entire verbatim transcript to all Directors simultaneously, as Directors have expressed a preference for the Secretary’s Department to prepare draft formal minutes based on the verbatim. Executive Directors may, if the need arises, review the verbatim transcript of the entire meeting in the office of the Operations Division of the Secretary’s Department and take notes. Copies of the transcript are not made and, under Rule C-16, transcripts kept in order to assist the Secretary to prepare the summary record of the meeting are to be destroyed after a reasonable period of time.⁶⁰
- Executive Directors have the option of providing a copy of their statements prior to the meeting, or as read out in the meeting, or submitted for the record after the meeting, for insertion, as provided, in the draft minutes. In those cases in which Directors do not submit statements, the verbatim record is used by the Secretary’s staff to prepare, in reported speech, draft statements or interventions, which are a full reflection of the substance of the intervention. Alternatively, SEC staff may lightly edit the oral intervention and present it in the format of a prepared statement. The principle in the preparation of all minutes is that the substance of the discussion, as reflected in the verbatim transcript, is preserved. The objective is to have an accurate and comprehensive text that will remain relevant and understandable over time.

⁵⁹ In the past, minutes were prepared for the entire Board meeting day, encompassing a number of items and leading to delays in finalization.

⁶⁰ Verbatim records are to be kept for inclusion in the archives of the Fund only if the Chair or an Executive Director so requests.

- A Deputy Managing Director who chairs and a staff member who speaks at a Board meeting is identified in the minutes by name.

Clearance

- The draft minutes are circulated to the staff representatives who were seated at the Board table and intervened in the discussion and to Executive Directors for their review and revisions at the same time. The staff representatives may review and revise their own remarks at the discussion, as well as the remarks of the Chair. Executive Directors may revise only their own remarks. Revisions are incorporated into the final minutes.
- In making revisions to the draft minutes, the staff and Executive Directors may make changes only to the extent of clarifying their remarks and correcting factual errors, without departing in substance from their spoken interventions at the Executive Board meeting.

Finalization

- The changes to draft minutes suggested by Executive Directors are reviewed by SEC and incorporated into the final minutes. The final minutes, signed by the Secretary, are circulated to Executive Directors for approval on a lapse of time basis. The lapse of time period is 5 working days from the date of circulation of the final minutes. During this period, Directors may request that corrections be made in their own statements and interventions in the final minutes. Such corrections are circulated subsequently.
- While the intention is for minutes to be finalized promptly, following all clearances, this process is likely to require several weeks.

Access

- Final minutes of meetings are normally available to Executive Directors and staff. Access to minutes of restricted meetings is more limited.
- Access by the public to most final minutes is governed by the policy on access to the Fund's archives, as approved by the Board in March 1999, and further liberalized in September 2002. Under this policy, outside persons, on request, may be given access to Executive Board minutes that are more than 10 years old. Restricted Board minutes more than 10 years old would be available for public access only upon their declassification, with the consent of the Managing Director. Public access is not provided to restricted Board minutes less than 10 years old.

Reviewed 3/1/07.

IX. TRANSPARENCY

9. a. Access to Technical Assistance Reports

Background

In the past, technical assistance reports could be made available only to the authorities concerned, the Executive Director of the country concerned, the relevant Fund area department, and in some limited cases to other international institutions such as the World Bank. ~~During the Executive Board's review of technical assistance in July 2002, wider dissemination of such reports was supported, as a means of promoting transparency and accountability and for sharing lessons learned in key policy areas and capacity building. However, recognizing that country-specific technical assistance reports often cover sensitive information, Directors considered it important that an appropriate balance be struck between making more information available on technical assistance and safeguarding the confidentiality of information provided by members.~~⁶¹ In May 2008, during the review of technical assistance, the Executive Board agreed that wider dissemination of Fund technical assistance-related information will help reinforce, inter alia, coordination with donors and other technical assistance providers.⁶² Directors took note of management's intention to establish new procedures and agreed with the objectives underpinning the call for wider dissemination, i.e., to facilitate more systematic and effective dissemination of technical assistance information, while safeguarding confidential information and the candidness of Fund advice. The new procedures are contained in the Staff Operational Guidelines on Dissemination of Technical Assistance Information issued in April 2009.⁶³

Access by Fund Staff

Technical Assistance reports classified "for official use only" are accessible to all Fund staff. Reports classified "confidential" are made available to a smaller group of Fund staff, in accordance with the provisions of General Administrative Order No. 35.

⁶¹ See *Summing Up by the Acting Chair—Review of Technical Assistance Policy and Experience*, BUFF/02/107, 7/12/02). See also *Summing Up by the Acting Chair—Review of the Fund's Technical Assistance Program*, BUFF/04/45, March 10, 2004, and "Internal Availability of Technical Assistance Reports," SM/02/378, December 11, 2002.

⁶² See *Summing Up by the Acting Chair—Enhancing the Impact of Fund Technical Assistance*, BUFF/08/64, 5/20/08.

⁶³ See "Staff Operational Guidelines on Dissemination of Technical Assistance Information", SM/09/84, 4/7/09.

Access by Executive Directors and Their Staff

~~Access to technical assistance reports by Executive Directors and their staff requires the consent of the authorities for whom the technical assistance report was prepared, and is determined according to the level of the security classification of the report. The letter of transmittal of finalized technical assistance reports requests the authorities' consent to make the report available to Executive Directors and their staff within 60 days of transmittal of the report. Access to reports will only be provided subject to the Fund having received a communication from the authorities that they have no objection to such access. The fact that a request for consent has been made will be brought to the attention of the Executive Director of the country for which the report was prepared. Technical assistance reports are made available to the Executive Director for the country of the authorities for whom the technical assistance report was prepared, unless the latter specifically requests otherwise. With respect to other Executive Directors and members of their staff, access to technical assistance reports requires the consent of the authorities for whom the technical assistance report was prepared. The letter of transmittal of finalized technical assistance reports requests the authorities' consent to make the report available to Executive Directors and their staff within 60 days of transmittal of the report. Consent will be deemed obtained unless the authorities object to such access within 60 days of the transmittal of the report.~~

Storage of Reports in the Institutional Repository

The Fund's Institutional Repository is the mechanism for storage and internal dissemination of technical assistance reports. All finalized such reports—except those classified as “strictly confidential” and Financial Sector Assessment Program reports⁶⁴—are forwarded to the repository.

Reclassification of Technical Assistance Reports

Reports classified as “confidential” may be reclassified automatically “for official use only” after two years, unless the authoring department or the relevant area department judges that the sensitivity of information in the report has not sufficiently diminished. Concerned departments will be alerted by TGS when declassification of particular reports is pending.

Updated ~~3/1/07~~ 8/xx/09.

⁶⁴ Financial Sector Assessment Program reports are excluded owing to the Confidentiality Protocol agreed with the World Bank and the special treatment required of such reports.

9. b. Publication⁶⁵ of Fund Documents⁶⁶

There are four categories of publication: “voluntary but presumed” and “voluntary,” which apply to country documents; and “case by case” and “presumed,” which apply only to Fund policy documents. “Voluntary but presumed” means that the publication of the document is expected within 30 calendar days of the Board meeting at which the document is considered. “Voluntary” means that there is no presumption that the document will be published. “Presumed” means that, with respect to Fund policy papers other than those concerning administrative matters, the document will be published unless the Executive Board decides explicitly otherwise. “Case-by-case” means that, with respect to Fund policy papers concerning administrative matters, there is no presumption of publication and a specific decision is required for such papers to be published.

Regardless of whether publication is “voluntary but presumed” or “voluntary,” the explicit consent of the member country concerned must be obtained before publication of country documents can occur. Members should convey in writing, normally to the Secretary’s Department, their intention regarding publication of the document before the Board meets to consider the document. This intention may be communicated through the member’s Executive Director. The document’s cover note from the Secretary will state whether or not the member has communicated with the Fund about publication, and its intention if it has done so. If a communication has not been received by the time of the Board meeting, the Secretary’s Department will remind the member, including through the Executive Director concerned, of the need to inform the Fund of its publication intention within the 30 calendar day period referred to above.

Country Documents

The following country documents are published on a “voluntary but presumed” basis:

- Staff reports for Article IV consultations;
- Combined reports for Article IV consultations and the use of Fund resources;
- Selected issues papers and statistical appendixes;
- Public Information Notices (PINs) following Article IV consultation discussions, regional surveillance discussions, and discussions of post-program monitoring and ex-post assessments;

⁶⁵ “Publication” normally means publication on the Fund’s external website, but may include publication through other media.

⁶⁶ This chapter is based on Executive Board Decision No. 13564-(05/85), adopted October 5, 2005, as amended, on the Fund’s transparency policy.

- Interim Poverty Reduction Strategy Papers (I-PRSPs), Poverty Reduction Strategy Papers (PRSPs), PRSP Preparation Status Reports, and PRSP Annual Progress Reports (APRs), in the context of both the use of Fund resources and the Policy Support Instrument (PSI);
- Joint Fund/World Bank Staff Advisory Notes (JSANs) on I-PRSPs, PRSPs, PRSP Preparation Status Reports and APRs, in the context of the use of Fund resources⁶⁷ ~~and PSIs~~, subject to authorization by the World Bank;
- JSANs on I-PRSPs and PRSPs in the context of PSIs, subject to authorization by the World Bank;
- Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs) in the context of the use of Fund resources and PSIs;
- Technical Memoranda of Understanding (TMUs) with policy content in the context of the use of Fund resources and Policy Support Instruments;
- Staff reports on the use of Fund resources, post-program monitoring, ex-post assessments, and Policy Support Instruments, except any staff reports that deal exclusively with members' overdue financial obligations to the Fund;
- Chair's statements following Board discussions, including for Policy Support Instruments;⁶⁸
- Preliminary, decision point, and completion point documents under the HIPC Initiative, subject to authorization by the World Bank;

The following country documents are published on a “voluntary” basis:

- Reports on the Observance of Standards and Codes (ROSCs);
- Financial Sector Stability Assessment (FSSA) reports;
- Assessment of Financial Sector Supervision and Regulation (AFSSR) Reports;

⁶⁷ Following the elimination of JSANs for APRs and PRSP preparation status reports in the PRGF context, the references in the Transparency Policy decision to JSANs on APRs and PRSP preparation status reports in a use of Fund resources context is understood as applying only to enhanced HIPC Initiative cases. See Executive Board Decision No. 14253-(09/8), adopted January 27, 2009. See also “Joint Staff Advisory Notes (JSANs) – Proposed Amendments to Streamline Modalities – Proposed Decision”, EBS/09/11, Sup. 1, 1/16/09, Footnote 6.

⁶⁸ No Chair's statement is issued following stand-alone discussions on a member's overdue financial obligations to the Fund or offshore assessment reports.

- Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs) for staff-monitored programs; and
- Stand-alone reports on staff-monitored programs.

Linkage of Publication Intention to Managing Director's Recommendation to the Board

The Managing Director *will not recommend* that the Board approve a PRGF arrangement or the completion of a review thereunder, a decision on a HIPC completion point or decision point, or a request for a PSI or the completion of a review thereunder, if the member concerned does not consent to publication of its I-PRSP, PRSP, PRSP preparation status report, or PRSP APR, prepared in the context of either the use of Fund resources or a PSI, as the case may be.

The Managing Director *will generally not recommend* that the Board approve a request for, or the completion of a review under, an arrangement involving exceptional access to the Fund's resources (in excess of an annual limit of ~~100~~200 percent of the member's quota, or a cumulative limit (net of scheduled repurchases) of ~~300~~600 percent of quota), unless the member consents to the publication of the associated staff report.⁶⁹

Right of Member to Comment on Published Staff Reports

A member country that has agreed to publication of a staff report for an Article IV consultation, a combined Article IV consultation and use of Fund resources staff report, or staff reports on the use of Fund resources, post-program monitoring, ex post assessments, a staff-monitored program, or a PSI concerning the member, may provide a statement regarding the staff report and the Executive Board's assessment. The statement is published together with the staff report and the PIN or press release summarizing the Board's discussion.

Deletions in Published Country Documents⁷⁰

According to the Board-approved policy, member may request that deletions of certain sensitive material be made in various country documents and country policy intentions documents—such as staff reports, letters of intent, memoranda of economic and financial policies, and technical memoranda of understanding before publication of these documents.

⁶⁹ ~~Arrangements approved before July 1, 2004, are exempted from this policy, except if there is a change in their terms, conditions, or timing.~~

⁷⁰ See ~~Transparency Publication Policies~~, Executive Board Decision No. 13564-(05/85), adopted October 5, 2005, paragraphs 8-9. See also "Guidance Note on the Fund's Transparency Policy," SM/06/144, 4/19/06, p. 13.

Deletions are limited to highly market-sensitive material⁷¹ (mainly on the outlook for exchange rates, interest rates, the financial sector, and assessments of sovereign liquidity and solvency), and material not in the public domain on a policy that the authorities intend to implement, where premature disclosure of the operational details would seriously undermine the authorities' ability to implement the policy intentions. Politically sensitive material in itself cannot be deleted unless it also happens to be highly market sensitive, or is not already in the public domain and its disclosure would lead to the premature disclosure of operational details that would risk undermining the implementation of the authorities' policy intentions.

Information relating to performance criteria or structural benchmarks, or assessments thereof, cannot be deleted unless it is of such a character that it could have been communicated to the Fund in a side letter (see Chapter 4.a. on side letters).

Requests for deletions should be made within 21 calendar days of Board consideration of the document, or 35 calendar days after circulation of the document to the Board, whichever is later. The amended document, with the accepted deletions redlined, is circulated to the Executive Directors, and the basis for the deletions is explained. In case of disagreement over the eligibility of deletion requests, the matter may be referred to the Executive Board. If the Managing Director determines that deletions would result in a document that would undermine the overall assessment and credibility of the Fund if published, he may recommend to the Board that it not be published.

Noncountry Documents

It is presumed that policy documents will be published, unless the Board decides otherwise. The presumption of publication does not apply to papers on administrative matters (such as the budget, personnel policies, the Staff Retirement Plan, and asset management), for which a decision on publication is taken by the Board on a case-by-case basis. A decision whether or not to publish such a policy paper will depend, inter alia, on whether the discussion has been completed or, if not, whether informing the public of the state of the discussions would be useful. The staff recommends whether or not the paper should be published in the paper's cover note.

The staff's proposals in a policy document cannot be modified prior to publication, except for the papers on the World Economic Outlook and Global Financial Stability Report (the published versions of which reflect the outcome of the Board discussion). To avoid confusion, the differences between the Board's conclusion and the staff's proposals are clearly indicated in the published document.

⁷¹ "Highly market-sensitive material" means material that is not in the public domain, has near-term market relevance, and is sufficiently specific to create a clear risk of triggering a disruptive market reaction if disclosed.

Timing of Publication

Documents are published only after they are considered by the Executive Board. However, documents circulated for information only, and I-PRSPs, PRSPs, PRSP preparation status reports, and APRs in the context of use of Fund resources or PSIs, and ROSCs and AFSSR Reports may be published immediately after they are circulated to the Executive Board.

| ~~Joint Staff Advisory Notes~~JSANs in the context of use of Fund resources ~~or a PSI~~ that are circulated to the Board for information may be published only following the expiration of the period, indicated in the document's cover note, within which an Executive Director may request that the document be placed on the Board's agenda for discussion.

| *Updated ~~3/1/07~~9/xx/09.*

9. c. Access to the Fund's Archives⁷²

The current policy governing public access to records in the Fund's archives permits access to most Executive Board documents over 5 years old, Executive Board minutes and supporting documentation⁷³ over 10 years old, and other material over 20 years old.

Access to the following categories of documents will not be granted:

- Legal documents and records maintained by the Legal Department that are protected by attorney-client privilege;
- Documents furnished to the Fund by external parties, including member countries and their agencies, that bear confidentiality markings, unless those parties consent to their declassification;
- Personnel files, medical records, or other records pertaining to individuals;
- Documents and proceedings of the Grievance Committee.

Access to Fund documents classified as "Secret" or "Strictly Confidential" can be granted only upon the consent of the Managing Director or a person designated by him to the declassification of the documents.

Responsibility for maintaining the Fund's archives rests with the Technology and General Services Department. The archives contain Executive Board documents as well as a large collection of records comprising the internal working papers of the Fund. These include drafts of Board documents, internal memoranda, correspondence, briefing papers, back-to-office reports, technical assistance reports, and documents dealing with financial relations with member countries.

To better support the reference needs of Fund management, staff, and Executive Directors, the archives administer the Institutional Repository, which is an electronic archive of past and current Board documents, updated live. The Institutional Repository enables the efficient search, viewing, and printing of Board documents in PDF format.

⁷² See Executive Board Decision Nos. 11192-(96/2), 1/17/96, as amended, and 12981-(03/34), 4/9/03, and "Review of the Implementation of the Policy on Access to Fund Archives," SM/03/115, April 2, 2003.

⁷³ Statements by the Managing Director or Fund staff to the Board in the BUFF series, formal statements by Executive Directors in the BUFF/ED series, GRAY statements, the agendas and minutes for Executive Board Seminars, the minutes for Informal Sessions, and the Weekly Decisions Report (and its predecessors, the Précis and Weekly Précis).

In addition to serving the reference needs of Fund staff, the archives honors requests for access by external researchers, including students, university faculty, historians, authors, journalists, staff of other international organizations and nongovernmental institutions, retired Fund staff, and government representatives. External users must arrange for their visit to the archives at least 10 working days in advance, and they are requested to be as specific as possible about their topic of interest, to enable archives staff to prepare as much useful material as possible in advance. The archives reading room is open working days from 9:30 a.m. to 5:00 p.m.

Researchers sometimes request access to material that falls outside of the 5-, 10-, and 20-year access rules. In these cases, the approval of the Executive Board is sought to release the requested material on an item-by-item basis. To offset some of the cost of this time-consuming procedure, the Board has agreed that reasonable charges may be assessed for such requests. However, such charges are waived for government officials of member countries.

Reviewed 3/1/07.

X. COLLABORATION WITH OTHER INTERNATIONAL ORGANIZATIONS

10. a. Cooperation Agreement Between the Fund and the World Trade Organization⁷⁴

The Cooperation Agreement between the International Monetary Fund and the World Trade Organization (WTO) became effective on December 9, 1996, upon its signature by the Managing Director of the Fund and the Director General of the WTO, following its prior adoption by the Executive Board⁷⁵ and by the WTO General Council. The Agreement formalized and built on the already close and collaborative relationship that had existed between the Fund and the General Agreement on Tariffs and Trade (GATT). The Fund and WTO are committed to consult with each other with a view to achieving greater coherence in global economic policy-making.

The Agreement provides, under specified conditions, for WTO attendance as an observer at meetings of the Fund's Executive Board and the Committee on Liaison with the World Trade Organization,⁷⁶ and for Fund attendance as an observer at various bodies of the WTO. The Agreement establishes a two-tier approach to invitations to the WTO Secretariat. Under the first tier, a standing invitation is extended to the WTO Secretariat for ordinary meetings where the matter under discussion involves general or regional trade policy issues and to particular World Economic Outlook discussions where there is a significant trade content. The second tier of meetings involves cases where the Fund staff and the WTO secretariat both conclude that the matter is of particular common interest to both organizations. In such cases, the Managing Director submits a proposal to the Executive Board for WTO attendance. If approved, the Secretary extends an invitation to his WTO counterpart.

The Agreement provides for each organization to make available to the other, agendas and relevant documents needed for meetings to which their staff have been invited, to set up procedures to exchange information, as well as for the Fund to make available to the WTO Secretariat specified documents promptly after their circulation to the Fund's Executive Board, and for the WTO Secretariat to make available to the Fund specified documents. Since the beginning of 1997, the Secretary's Department has been transmitting to the WTO Secretariat, on the sixth day after circulation to the Executive Board, subject to the consent of the member, staff reports and relevant background papers on Article IV consultations and use of Fund resources for common members and on Fund members seeking accession to the WTO. Following the Board's decision to transmit policy framework papers, later considered to include PRSPs, to other organizations, these documents are also provided to the WTO. A

⁷⁴ For further reference, see "Review of the Cooperation Agreement Between the Fund and the World Trade Organization," EBD/98/78, July 15, 1998.

⁷⁵ See Decision No. 11381-(96/105), November 25, 1996.

⁷⁶ The reconstitution of the Committee on Liaison with the WTO was suspended in November 2006 pending an examination of its mandate; as such the Committee is not operational at present.

particular issue arose at the time of the Asian crisis, as to whether the WTO was entitled to receive Board documents with restricted circulation. It was determined that nothing in the Cooperation Agreement allowed for the differential treatment of this type of document. Consequently, all such restricted documents are transmitted, subject to the consent of the member concerned. The Agreement also calls for the Fund to inform the WTO of certain decisions, such as the approval of restrictions on the making of payments or transfers for current international transactions, which could have legal consequences under the WTO Agreements.

Updated 3/1/07.

10. b. European Central Bank—Observer Status⁷⁷

The provisions of the December 1998 decision Board decision on observer status for the European Central Bank at meetings of the Fund Board, as amended by the December 2002 decision⁷⁸ and updated by decisions in December 2004, December 2005, and December 2006,⁷⁹ are as follows:

1. The ECB shall be invited to send a representative to meetings of the Executive Board on:
 - Euro-area policies in the context of Article IV consultations with member countries;
 - Fund surveillance under Article IV over the policies of individual euro-area members;
 - Role of the euro in the international monetary system;
 - World Economic Outlook.
 - Global Financial Stability Reports; and
 - World economic and market developments.
2. In addition, the ECB shall be invited to send a representative to meetings of the Executive Board on agenda items recognized by the ECB and the Fund to be of mutual interest for the performance of their respective mandates. In this regard, the Executive Director for the country that currently holds the rotating presidency of the European Union circulates a memorandum to the Executive Board, usually by e-mail, requesting that the ECB representative be allowed to attend the discussion. For meetings on such country items, it is understood that, provided there is no objection from the member concerned, the ECB representatives shall be invited to attend meetings on Article IV consultations with the United States, Japan, and non-euro area member countries of the European Union; and to meetings on Fund surveillance over the policies of, and on use of Fund resources by, members that are accession countries to the European Union. Accession countries to the European Union are currently Croatia, the former Yugoslav Republic of Macedonia, and Turkey. The Executive Board will be informed by management, after consultation with the Presidency of the Council of the European Union, of any changes in the list of accession countries.
3. At Executive Board Meetings, the representative of the ECB will have the status of observer and, as such, will be able to address the Board with the permission of the Chairman

⁷⁷ The Executive Board adopted Decision No. 11875-99/1 on December 21, 1998 to grant the European Central Bank (ECB) observer status at selected Board meetings. See also “European Central Bank – Observer Status,” EBD/98/135, December 17, 1998.

⁷⁸ Decision No. 12925-(03/1), adopted December 27, 2002.

⁷⁹ Decision No. 13414-(05/01), adopted December 23, 2004, Decision No. 13612-(05/108), adopted December 22, 2005, and Decision No. 13856-(07/1), adopted December 29, 2006.

on matters within the responsibility of the ECB. The ECB representative may circulate written statements in advance of Board meetings to which the ECB is invited. Such statements may be acknowledged by the Chair to become part of the record of the Board meeting.

4. The Fund shall communicate to the ECB (i) the agenda for all Board meetings and (ii) the documents for the Executive Board meetings to which the ECB has been invited.

5. The ECB has agreed to preserve the confidentiality of all information and documents communicated by the Fund to the ECB, as specified by the Fund, and that any such information and documents shall be solely for the internal use of the ECB.

Updated 3/1/07.

10. c. Exchange of Documents with Other International Organizations⁸⁰

The Fund's policy on transmittal of documents to other international organizations is designed to facilitate closer cooperation in areas of mutual interest. These arrangements, which have been approved by the Executive Board, cover transmittal on a regular basis to organizations in two categories: (i) organizations authorized to receive documents on common members under individual agreements (World Bank, Organization for Economic Cooperation and Development (OECD), European Commission (EC), World Trade Organization (WTO), and European Central Bank (ECB)), and (ii) official organizations that provide, or shortly will, substantial financial or technical assistance to Fund members or perform monitoring and advisory functions in respect of macroeconomic and structural policies, and are deemed to have an operational need for the information. The Secretary's Department canvasses international organizations periodically regarding changes to the list of common members on which organizations wish to receive documents under the Fund's policy of the transmittal of documents to international organizations. Based on responses, SEC initiates confirmation of their eligibility to receive Fund documents on additional common member countries. Documents classified as "strictly confidential" fall outside of the policy on exchange of documents with other international organizations and are generally not transmitted to other international organizations, with the exception of the WTO. Strictly confidential documents are sent to the WTO in accordance with Paragraphs 7, 9 and 11 of the Fund-WTO Cooperation Agreement, subject to the consent of the member concerned (see chapter 10. a.)

The arrangements for exchange of documents between the Fund and the Bank were formalized in 1970 and have been refined on several occasions in the context of reviews of Fund-Bank collaboration. The exchange of documents with the WTO is in accordance with the Cooperation Agreement between the Fund and the WTO (see chapter 10.a.). The arrangements for the exchange of information with the OECD originated in 1953 through an exchange of letters between the Secretary General of the then-Organization for European and Economic Cooperation (OEEC) and the Managing Director, followed by an Executive Board decision. Similar arrangements were made with the then-European Economic Community in 1972 and with the European Central Bank in 1998.

The list of international organizations that meet eligibility criteria for the regular transmittal of documents has expanded considerably in recent years. All additions are put to the Executive Board for approval. The list presently includes the African Development Bank (AfDB), Asian Development Bank (AsDB), Caribbean Development Bank (CDB), Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS), European Bank for Reconstruction and Development (EBRD),

⁸⁰ This chapter is based on the document "Transmittal of Fund Documents to Other International Organizations," SM/97/69, February 27, 1997.

Commission of the European Communities (CEC), European Investment Bank (EIB), Food and Agricultural Organization (FAO), Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), United Nations Development Programme (UNDP), United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC), West African Economic and Monetary Union (WAEMU), and World Food Programme (WFP). Requests from other organizations may be considered on an ad hoc basis.

The Fund conveys to other international organizations documents on countries that are members of both the Fund and the other international organization, or to which the other organization provides financial or technical assistance. These documents include staff reports for Article IV consultations (including background documents and selected issues papers), papers on the use of Fund resources, and poverty reduction strategy papers (PRSPs) and the joint staff advisory note on PRSPs. The background documents for Article IV consultations are made available to a somewhat wider range of organizations. The transmittal of documents to other international organizations is effected by the Secretary's Department.

Those international organizations to which the paper is to be conveyed are noted in the Secretary's cover note to the paper. For country documents, the Executive Director concerned has the right to object, within the time limit specified in the cover note, to the transmittal of a document concerning a member of his or her constituency, or to request that corrections be made or confidential information be deleted before the document is sent. The practice of the Fund has been to address requests for corrections and deletions in accordance with the Fund's policy on transparency.⁸¹

Whether or not an international organization is eligible to receive Fund country documents under this policy is initially determined by the area department and the Executive Director(s) for the countries covered in the documents to be conveyed. If eligibility is confirmed, before the organization can begin to receive Fund documents, the Fund must receive assurances from the organization that it will keep the documents confidential, limit their use to that specified in its request, and make available to the Fund on a reciprocal basis comparable documents that the organization prepares.

With the exception of the World Bank, which as noted earlier is subject to different, long-standing agreements with the Fund on documents exchange, policy papers are not automatically conveyed to other international organizations. However, policy papers may be conveyed on an ad hoc basis, subject to prior Board approval.

Regarding the timing of the conveyance of documents to other international organizations, documents are exchanged with the World Bank at the time of their issuance to the Executive Board. Documents are usually conveyed to the World Trade Organization six working days

⁸¹ See *Transparency—Publications Policies*, Executive Board Decision No. 13564-(05/85), adopted October 5, 2005, paragraphs 8-11.

after their issuance to the Fund Board via the secure extranet. Documents for Board meetings which the European Central Bank in its status as an observer is invited to attend, either on an ad hoc or a standing basis, are available to it through the secure extranet at about the same time they are conveyed to Executive Directors. For most other organizations, documents are conveyed immediately following consideration of the documents by the Executive Board. In exceptional cases, a document may be released at a specific date before the Board discussion, such as when early access to it will facilitate the provision of financial or technical assistance to members or a Paris Club rescheduling. In such cases, the Secretary's cover note to the document notifies the Board of the request for early release, and provides a period within which Directors may object to it under the lapse of time procedure.

Updated 3/1/07.

XI. OTHER ISSUES

11. a. Informal Contacts Among Executive Directors, Management and the Secretary

A range of informal channels has traditionally been used by Executive Directors to exchange views, both on current economic policy issues and on administrative and procedural matters, among themselves and with management and senior staff. No formal record of these discussions is kept.

Executive Directors' Retreats

For many years, Executive Directors have held a retreat lasting one or two days often in a setting outside headquarters, in Washington D.C. or the surrounding area, to discuss current policy issues to which they wish to devote particular attention, as well as the functioning of the Board. Attendance typically includes Executive Directors and Alternate Executive Directors. Management and the Secretary are invited to participate. Directors agree among themselves on timing, location, and attendance.

Informal luncheon meetings with the Managing Director

Periodically, the Managing Director invites the Executive Directors to an informal luncheon. These sessions provide an opportunity for informal exchanges of views on current issues. The Managing Director typically indicates in advance the items for discussion. Background documentation is generally not provided.

Executive Directors' Luncheons

Periodically, the Dean of the Executive Board invites the Executive Directors to an informal luncheon. Members of senior management and the Secretary are also invited. The luncheon discussions provide an opportunity for informal exchanges of views among Directors on a variety of topics chosen flexibly. For example, discussion topics may range from policy issues where such exchange may ultimately contribute to stronger consensus building, to organizational questions such as preparation of and follow-up to an Executive Directors' retreat, a report on Executive Directors' group travel, and collaboration with World Bank Executive Directors. In addition, a head of a department or office may be invited to provide an informal and personal overview of priorities he/she sees in his/her area of responsibility, and an outside guest may be invited to share his/her perspective from time to time.

Reviewed 3/1/07.

11. b. Ground Rules for Staff Contacts with National Authorities⁸²

Against the background of an intensification of requests for information from the authorities of shareholders, the following are some strengthened guidelines for managing the process of contacts between Fund staff and officials and Executive Directors:

1. In principle, all requests to headquarters-based staff for briefings, information, and other contacts with outside officials should go through the office of the relevant Executive Director (ED). The ED's office should be responsible for ensuring its authorities follow this procedure. In the case of any direct contact, the ED should be informed.
2. Staff should keep the Executive Director for the country concerned informed of all formal communications between the staff and the national authorities. Letters sent to national officials should be copied to the Executive Director concerned.
3. Following any substantive exchange between staff and officials and/or EDs, the immediate office of the relevant Fund department should be debriefed, and any discussions with important policy or operational ramification should be reported to Fund management.
4. Staff should postpone providing any important information (normally requiring Management clearance) to officials or EDs until they have first brought it to the attention of management. That said, it must be recognized that contacts with officials representing bilateral donors in the field, or visits with such officials by mission chiefs following missions, constitute a useful component of operational work.
5. Staff should not provide any information to officials or an Executive Director from a particular country that they would not be willing to share with other EDs.
6. In some cases it may be appropriate to provide a written or oral briefing to a group of, or all, EDs on an issue that has been raised by an individual ED, perhaps at an informal meeting.
7. Staff should report to management if contacts with officials or EDs are taking up an inordinate amount of staff time and resources.

Reviewed 3/1/07.

⁸² This chapter is based on a memorandum from the First Deputy Managing Director to Department Heads dated March 17, 2000.

11. c. Code of Conduct for Members of the Executive Board⁸³

Executive Directors of the Fund are entrusted by the member countries that have selected them with responsibilities for ensuring that the Fund carries out the mandate prescribed in its Articles of Agreement. The office of Executive Director of the Fund requires personal and professional conduct that meets the highest standards. The Board of Governors has adopted certain resolutions with respect to the conduct of Executive Directors. In addition, Executive Directors have adopted the following Code of Conduct, which is intended to provide guidance on ethical standards in connection with, or having a bearing on, their status and responsibilities in the Fund.

The standards set out in this code also apply to Alternate Executive Directors, and Advisors to Executive Director, who perform their functions under the authority of the Executive Director. However, in lieu of the procedures set forth below concerning the Ethics Committee of the Executive Board, Executive Directors will consider any allegations of misconduct by Alternates and Advisors in their respective offices and will take such measures as are necessary and appropriate in the circumstances.

Application

Except with respect to the consideration of alleged misconduct by the Ethics Committee, all references to Executive Directors in this Code shall include Alternates and Advisors unless otherwise indicated. With respect to assistants to Executive Directors, Executive Directors should apply, to the extent possible, the provisions of the Fund Staff Code of Conduct to assistants in their own offices, and should take such measures as are necessary and appropriate. Other persons who are designated as Temporary Alternates shall also be subject to the provisions of this Code on the same basis as Executive Directors.

Basic Standard of Conduct

Executive Directors should observe the highest standards of ethical conduct. In the performance of their duties, they are expected to carry out the mandate of the Fund to the best of their ability and judgment, and to maintain the highest standards of integrity. In their conduct outside the workplace, they should also ensure that they observe local laws so as not to be perceived as abusing the privileges and immunities conferred on the Fund and Executive Directors.

⁸³ The Executive Board adopted the code of conduct on July 14, 2000. It is also available on the IMF's external website. This chapter reproduces the text as amended by the Board on December 12, 2003 (see EBD/03/112, 11/26/03).

Conduct Within the Fund

Executive Directors should treat their colleagues and the staff with courtesy and respect, without harassment, physical or verbal abuse.

Executive Directors should exercise adequate control and supervision over matters for which they are individually responsible.

Executive Directors should ensure that Fund property and services are used by themselves and persons in their offices for official business only.

Protection of Confidential Information

In line with the rules and guidelines of the Fund, Executive Directors have the responsibility to protect the security of any confidential information provided to, or generated by, the Fund.

Public Statements

When making public statements or speaking to the media on Fund-related matters, Executive Directors should make clear whether they are speaking in their own name or on behalf of the Executive Board.

Conflicts of Interest

In performing their duties, Executive Directors will carry out their responsibilities to the exclusion of any personal advantage.

Executive Directors should avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, Executive Directors should promptly inform the Ethics Committee and withdraw from participation in decision-making connected with the matter. If the conflict is potential rather than actual, Executive Directors should seek the advice of the Ethics Committee about whether they should recuse themselves from the situation that is creating the conflict or the appearance of conflict.

Personal Financial Affairs

Executive Directors should not use, or disclose to others, confidential information to which they have access, for purposes of carrying out private financial transactions. Because of the Fund's role in exchange rate surveillance, Executive Directors should not engage in short-term trading (i.e., a combination of buying and selling within six months) in gold, foreign currencies, and closely related financial instruments, for speculative purposes. For this purpose, the term "combination" does not include one-way transactions, such as the selling or buying of foreign exchange for household expenses, education or travel expenses.

For purposes of complying with these principles, Executive Directors should follow the guidance provided to the staff.

Disclosures

Executive Directors should make written disclosure to a compliance officer selected by the Executive Board of any financial or business interests of their own or their immediate family members. Until the extent and manner of this disclosure are determined by the Executive Board, the rules governing disclosure by the senior staff of the Fund shall apply. The compliance officer shall bring any unresolved concerns regarding a conflict of interest between an Executive Director's holdings and the performance of Fund duties to the attention of the Ethics Committee of the Board.

Gifts and Entertainment

In regard to acceptance of favors, gifts and entertainment, Executive Directors should exercise tact and judgment to avoid the appearance of improper influence on the performance of their official duties. The ordinary courtesies of international business and diplomacy may be accepted, but substantial and unusual gifts, favors and entertainment, as well as loans and other services of significant monetary value, should not be accepted.

Post-Fund Employment

When negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund, Executive Directors should not allow such circumstances to affect the performance of their duties. Where involvement in a Fund matter could be, or could be perceived as, benefiting the prospective employer, regardless of whether there is detriment to the Fund or their constituents, Executive Directors should recuse themselves.

Executive Directors who leave the Fund should not use or disclose confidential information known to them by reason of their service with the Fund, and should not contact Executive Directors or other Fund officials (other than through official channels) to obtain confidential information.

The Ethics Committee of the Executive Board

An Ethics Committee, comprised of five Executive Directors, shall be established by the Executive Board to consider matters relating to this Code. In addition, if requested to by Executive Directors, the Committee shall give guidance to them on ethical aspects of conduct, including the conduct of their Alternates, Advisors and assistants.

The Executive Board shall select a Chairperson, four members, and five alternate members from among Executive Directors. They shall be selected on the occasion of a general election of Executive Directors, and shall serve for two years. If the Chairperson, a member or an alternate member resigns, a new Chairperson, member or alternate member shall be selected by the Executive Board to complete the remainder of the term.

In the absence of the Chairperson, the Committee member who is the most senior Executive Director in the Board shall serve as acting Chairperson. In the event that a member of the Committee is not able to attend or serves as acting Chairperson, an alternate member shall serve in that member's place in order of seniority of Board membership. If the conduct of a member of the Committee is under consideration by the Committee, that member shall recuse himself/herself and be replaced as provided above.

The General Counsel of the Fund, or if absent his/her representative, shall be the permanent secretary of the Committee. The Ethics Committee may seek the views of the Fund's Ethics Officer ex officio on any matter with which it is dealing.

The meetings of the Ethics Committee shall be restricted to members only and the permanent secretary of the Committee except at the Committee's invitation.

The Ethics Committee shall consider any alleged misconduct by an Executive Director, and any matters brought to its attention by the compliance officer concerning the disclosures made by Executive Directors about any actual or potential conflict of interest. The Executive Director concerned shall, in all cases, be given the opportunity to present his/her views to the Committee.

If a majority of the Ethics Committee concludes that misconduct has been committed, and taking into account both the nature and seriousness of the misconduct and the Executive Director's prior record of conduct, the members of the Committee shall make recommendations to the Committee of the Whole of the Executive Board regarding whether a warning should be issued to an Executive Director, and whether such warning should be conveyed to the Governor(s) of the member country (or countries) that appointed, elected or designated the Executive Director. If a majority of the Ethics Committee concludes that no misconduct has been committed, the Executive Director concerned shall be so informed and no recommendation shall be made. When convened for this purpose, the Committee of the Whole shall be comprised exclusively of Executive Directors and shall have a quorum equal to one-half the number of Executive Directors.

Upon receiving the recommendations of the Ethics Committee, the Committee of the Whole shall consider which of the following actions to take: (i) no further action in the matter; (ii) issuance of a warning to the Executive Director; or (iii) issuance of a warning to the Executive Director and transmittal of the warning to the Governor(s) of the member country (or countries) that appointed, elected or designated the Executive Director. If there is no consensus in the Committee of the Whole as to which action to take, the matter shall be referred to the Executive Board for decision.

The Executive Director concerned shall, in all cases, have the opportunity to present his/her views to the Committee of the Whole, but shall not participate in the deliberations on the case.

Reviewed 3/1/07.

11. d. The Fund's Independent Evaluation Office (IEO) -- Terms of Reference⁸⁴

Purpose

The Independent Evaluation Office (IEO) has been established to systematically conduct objective and independent evaluations on issues, and on the basis of criteria, of relevance to the mandate of the Fund. It is intended to serve as a means to enhance the learning culture within the Fund, strengthen the Fund's external credibility, promote greater understanding of the work of the Fund throughout the membership, and support the Executive Board's institutional governance and oversight responsibilities. IEO has been designed to complement the review and evaluation work within the Fund and should, therefore, improve the institution's ability to draw lessons from its experience and more quickly integrate improvements into its future work.

Structure and Accountabilities

IEO will be independent of Fund management and staff and will operate at arm's-length from the Fund's Executive Board. Its structure and modalities of operation must protect its operational independence-both actual and perceived.

A Director, to be appointed by the Executive Board, will head IEO. The Director's term of appointment will be for a period of four years renewable for a second term of up to three years. The Director's appointment may be terminated at any time with the approval of the Executive Board. At the end of the term of service, the Director will not be eligible for appointment or reappointment to the regular staff of the Fund. The Director will be responsible for the selection of IEO personnel (including external consultants) on terms and conditions to be determined by the Board with a view to ensuring that the office is staffed with independent and highly qualified personnel. The majority of full-time IEO personnel will come from outside the Fund.

⁸⁴ The Executive Board approved the terms of reference on September 14, 2000. See the document "Executive Board Report to the International Monetary and Financial Committee on the Establishment of the Independent Evaluation Office and its Terms of Reference," EBAP/00/105, September 12, 2000. The terms of reference are also posted on the IMF external website. ~~The Executive Board approved on April 20, 2001 the~~ "Terms of Reference for the Director, and Terms and Conditions of Appointment for the Director and Employees of the IEO", were approved by the Executive Board on April 20, 2001 (EBAP/01/31, April 17, 2001 and Cor. 1) and later amended by EBAP/07/99 and EBAP/07/133, Supplement 1). The acronym for the office was changed from EVO to IEO in August 2001.

Responsibilities

The Director of IEO will be responsible for the preparation of the Work Program. The content of the Work Program should focus on issues of importance to the Fund's membership and of relevance to the mandate of the Fund. It should take into account current institutional priorities, and be prepared in light of consultations with Executive Directors and management, as well as with informed and interested parties outside the Fund. The Director will present IEO's Work Program to the Executive Board for its review.

IEO, through its Director, will report regularly to the Executive Board, including through the preparation of an Annual Report. It is also expected that the IMFC will receive regular reports on the activities and findings of IEO.

With respect to individual evaluations, staff, management and--when appropriate--the relevant country authorities, will be given an opportunity to comment on the assessments being presented to the Executive Board.

The Director of IEO, in consultation with Executive Directors, will prepare a budget proposal for IEO for consideration and approval by the Executive Board. Its preparation will be independent of the budgetary process over which management and the Office of Budget and Planning have authority, but its implementation will be subject to the Fund's budgeting and expenditure control procedures. IEO's budget will be appended to that of the Executive Board within the Fund's Administrative Budget.

If requested by the Executive Board, IEO will provide technical and administrative support for any external evaluations launched directly by the Executive Board.

Consultation, Publication and External Relations

In carrying out its mandate, including in the preparation of its Work Program, IEO will be free to consult with whomever and whichever groups it deemed necessary, both within and outside the Fund.

IEO will have sole responsibility for drafting IEO evaluations, Annual Reports, press releases and other IEO documents or public statements.

IEO's Work Program will be made public and there will be a strong presumption that IEO reports will be published promptly (within the constraints imposed by the need to respect the confidentiality of information provided to the Fund by its members), unless, in exceptional circumstances, the Executive Board were to decide otherwise.

Publication of evaluations will be accompanied by comments from management, staff, and others, including relevant country authorities, where appropriate, along with the conclusions reached by the Board in considering the evaluation report.

Relations with Fund Staff and Management

In conducting its work, IEO should avoid interfering with operational activities, including programs, or attempting to micro-manage the institution.

Review of Experience with IEO

Within three years of the launch of IEO operations, the Executive Board should initiate an external evaluation of IEO to assess its effectiveness and to consider possible improvements to its structure, mandate, operational modalities, or terms of reference. Without prejudging how that review would be conducted, it should be understood that the review would include the solicitation of broad-based input from outside the official community.

Reviewed ~~3/1/07~~9/xx/09.

11. e. IEO - Scheduling of Board Discussions of IEO Reports

The principle of promoting the timely discussion of IEO reports is recognized by staff, management, and the Executive Board, consistent with the need to accord management sufficient flexibility in scheduling Board meetings. Against that background, the following guideline applies.⁸⁵

Board consideration of an IEO report should generally be scheduled within six weeks of its circulation to the Evaluation Committee. Executive Directors should receive any comments on the report by management and staff at least two weeks prior to the Board discussion.

In the event that specific circumstances require a departure from the norm, management will explain the reasons for it to the Executive Board in a timely fashion, following consultation with the Chair of the Evaluation Committee, who will be given an opportunity to present his views. An Executive Director may request that a discussion of the IEO report be placed on the agenda of any Executive Board meeting that has already been scheduled by the Managing Director (in accordance with Rule C-6).

Incorporated on 3/1/07.

⁸⁵ See “External Evaluation of the Independent Evaluation Office—Follow-Up,” EBAP/07/4, January 10, 2007.

11. f. Regular Elections of Executive Directors—Nominations and Balloting

It had been the practice, prior to the 2002 Regular Election of Executive Directors, to carry out the election during the Fund's Annual Meeting. A streamlined procedure for nominations and balloting was introduced for the 2002 election, and has since been continued.

Under this procedure, members may submit nominations of candidates by rapid means of communication to the Secretary in a period determined by the Board of Governors—generally, starting six weeks, and ending four weeks, before the Annual Meeting. Each nomination must be made on a Nomination Form furnished by the Secretary, and signed by the Governor making the nomination.

Upon closing of the period for the receipt of nominations, a list of nominees is compiled by the Secretary and sent to members by rapid means of communication. Governors are invited to transmit their vote to the Secretary by rapid means of communication, by using the secure on-line Board of Governors extranet voting system, or in person, in a period determined by the Board of Governors. This period generally starts four weeks before the Annual Meeting and runs through the scheduled first day of the Annual Meeting. When a ballot has been completed,⁸⁶ the ballot forms are counted by the Secretary and the names of the persons elected are announced and communicated to members by rapid means of communication as soon as possible.

If a nominee withdraws before the end of the election period but after the end of the nomination period, the Secretary informs all Governors eligible to vote of the withdrawal, and invites them to submit nominations by rapid means of communication within a new prescribed period. At the end of that period, the Secretary circulates by rapid means of communication a new list of candidates to all Governors eligible to vote.

The effective date of the election of Executive Directors is the first day of the month of November following the Regular Election. The two-year term of office of the elected Executive Directors, and of any Executive Director appointed under Article XII, Section 3(c), commences on that date.

Reviewed 3/1/07.

⁸⁶ If a second or subsequent round(s) of balloting is necessary, the Secretary announces and communicates the names of the candidates to be voted on in the second (or subsequent) ballots, along with the members whose Governors are entitled to vote, and the timing of the second or subsequent ballots.

List of Background Documents on Executive Board Work Procedures⁸⁷

Introduction

Extracts from the Articles of Agreement (Articles XII, Sections 1-5), By-Laws (Section 5, 6, 9, 10, 13-22) and Rules and Regulations (Rule C1-16).

Executive Board Work Procedures, SM/93/18, January 25, 1993.

Executive Board Work Procedures, EBD/79/155, June 20, 1979.

Proposals for Reducing Work Pressures, SM/01/173, June 15, 2001, and Sup 1, July 27, 2001.

Work Program and Scheduling of Meetings

~~Statement by the Managing Director on the Work Program of the Executive Board, BUFF/06/162, October 23, 2006.~~

The Secretary's Supplementary Note on the Statement by the Managing Director on the Work Program of the Executive Board, BUFF/06/162, Sup. 1 (revised), November 6, 2006.

Follow-up to the Work Program Discussion on November 13, 2006, Memorandum from the Secretary, November 30, 2006.

External Evaluation of the Independent Evaluation Office—Follow-Up, EBAP/07/4, January 10, 2007.

Types of Board Meetings

~~2006 Reconstitution of Executive Board Committees, EBD/06/135, November 28, 2006.~~
~~2008 Reconstitution of Executive Board Committees, EBD/08/119, December 31, 2008.~~

Structure and Mandates of Executive Board Committees, EBD/08/10, January 24, 2008.

Committee on Administrative Matters—Revised Terms of Reference, EBD/09/15, February 13, 2009.

Operational Guidance Note for Staff on Staff-Monitored Programs, SM/03/215, June 20, 2003.

⁸⁷ All listed documents can be accessed on the Secretary's Department website.

Documentation for Meetings

Guidelines on Minimum Circulation Periods for Executive Board Documents, EBD/97/66, Sup. 2, July 21, 1997.

Minimum Circulation Period for Staff Reports for Article IV Consultations, EBD/09/8, January 27, 2009

Procedures for Board Documents Containing Particularly Sensitive Information, EBD/98/120, November 6, 1998.

Committee on Agenda and Work Procedures—Summary Record of Meeting 02/2, February 28, 2002--Secretary's Memorandum to Executive Directors, March 6, 2002.

Committee on Agenda and Work Procedures—Summary Record of Meeting 03/1, EB/APC/Mtg/03/1, January 30, 2003.

Program Monitoring

Side Letters—Decision No. 12067— (99/108), September 22, 1999.

Side Letters and the Use of Fund Resources, SM/99/66, March 10, 1999; and follow-up papers, SM/99/85, April 5, 1999, and SM/99/163, July 7, 1999.

Strengthening the Application of the Guidelines on Misreporting, EBS/00/121, June 29, 2000, and Sup. 2, August 1, 2000.

Strengthening the Effectiveness of Article VIII, Section 5, SM/03/166, May 5, 2003; and Strengthening the Effectiveness of Article VIII, Section 5—Revised Proposed Decision, SM/03/386, Sup. 1, January 23, 2004.

Making the Misreporting Policies less Onerous in *De Minimis* Cases—Proposed Decision, EBS/06/86, Sup. 2, December 13, 2006.

Review of the Fund's Strategy on Overdue Financial Obligations, EBS/01/122, July 23, 2001.

Decision-Making in the Board

Decision Making in the International Monetary Fund, Francois Gianviti, December 28, 1998.

Statement by the General Counsel on Review of Fund Facilities "Nonamendment" Provisions in Decision of the Executive Board, BUFF/00/169, November 15, 2000.

Summings Up in the Context of Use of Fund Resources, SM/99/48, February 23, 1999.

Summings Up for Policy Items—New Procedures, Acting Secretary’s Memorandum to Executive Directors, May 12, 1999.

Summings Up for Policy Items—Secretary’s Memorandum to Executive Directors, November 30, 2001.

Implementing Proposals to Reduce Work Pressures—Memorandum from the Deputy Managing Director (Mr. Sugisaki) to Heads of Departments and Offices, February 26, 2002.

The Definition of “Code” Words, Statement by the Secretary, January 12, 1983.

Executive Board—Voting in Relation to Sense of Meeting and Proposal by the Chairman, EBD/77/255, December 6, 1977 and Sup. 2, January 24, 1978.

Voting Majorities in the Fund—Effects of Second Amendment of the Articles, Joseph Gold, IMF Pamphlet Series, No. 20, 1977.

Lapse of Time Procedures

Recording of Objections and Abstentions in the Context of Lapse of Time Procedures, SM/98/1, January 5, 1998.

[Article IV Consultations—Lapse of Time Approval, SM/96/214, August 9, 1996, and Sup. 1, November 6, 2006](#)

Article IV Consultations—Lapse of Time Approval, SM/96/214, August 9, 1996, and Sup. 1, November 6, 1996.

Reviews Under Fund Arrangements—Lapse of Time Consideration and Approval, EBD/96/160, Sup. 1, June 3, 1997.

Record-Keeping

Committee on Agenda and Board Procedures—Summary Record of Meeting 01/5, Acting Secretary’s Memorandum to Executive Directors, August 2, 2001.

Transparency

Consolidated Guidance Note for Fund Staff on Publication of Documents, PDR Department, Internal Website, May 25, 2001.

The Fund’s Transparency Policy—Proposed Amendments, SM/05/292, July 28, 2005.

The Fund's Transparency Policy—Executive Board Decision No. 13564-(05/85), October 5, 2005.

Guidance Note on the Fund's Transparency Policy, SM/06/144, April 19, 2006.

Review of the Implementation of the Policy on Access to Fund Archives, SM/03/115, April 2, 2003.

Internal Availability of Technical Assistance Reports, SM/02/378, December 11, 2002.

Collaboration with Other International Organizations

Guidelines on Cross-Attendance at Fund and World Bank Board Meetings, Acting Secretary's Memorandum to Executive Directors, July 7, 1999.

The IMF and the World Bank Group—An Enhanced Partnership for Sustainable Growth and Poverty Reduction, Joint Statement by Messrs. Kohler and Wolfensohn, September 5, 2000.

Report of the Managing Director and the President on Bank-Fund Collaboration, SM/98/226, September 4, 1998.

Bank-Fund Collaboration in Assisting Member Countries, SM/89/54, Rev. 1, March 31, 1989.

Review of the Cooperation Agreement Between the Fund and the World Trade Organization, EBD/98/78, July 15, 1998.

European Central Bank—Observer Status, EBD/98/135, December 17, 1998.

European Central Bank—Observer Status—Executive Board Decision Nos. 11875-(99/1), December 21, 1998; 13414-(05/01), December 23, 2004; 13612-(05/108), December 22, 2005; and 13856-(07/1), December 29, 2006.

Presence of ECB Representatives at meetings of the Executive Board on EU Accession Countries, EBD/01/40, April 20, 2001.

Transmittal of Fund Documents to other International Organizations, SM/97/69, February 27, 1997.

Other Issues

Code of Conduct for Members of the Executive Board, as amended, EBD/03/112, November 26, 2003.

Executive Board Report to the International Monetary and Financial Committee on the Establishment of the Independent Evaluation Office and its Terms of Reference, EBAP/00/105, September 12, 2000.

Terms of Reference for the Director and Terms and Conditions of Appointment for Director and Employees of the Independent Evaluation Office (EVO)—Report by Evaluation Group, EBAP/01/31, April 17, 2001 and Cor. 1, April 18, 2001, as amended by EBAP/07/99 and EBAP/07/133, Sup. 1.

Report of the Committee on Rules for the 2006 Regular Election of Executive Directors, EBD/06/81, July 7, 2006.

Updated ~~3/1/07~~9/xx/09.