

November 4, 1988 - 88/63

Statement by Mrs. Ploix on the Work Program  
(Preliminary)  
Executive Board Meeting 88/163  
November 4, 1988

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I broadly concur with the main topics which have been included in the work program before us. I would just like to make a few general remarks before touching on the various items proposed for discussion, in order to stress our priorities or comment on specific points.

1. I can only repeat that we should absolutely make our best efforts to adopt realistic and well-balanced work programs. This is essential for the quality of our work, as well as that of the staff. We strongly believe that the role of the Board cannot but find itself weakened if we are not careful in this matter. I must say that the recent trend has been worrisome in this regard. While recognizing the efforts to make this program more manageable than the previous ones, I am convinced that we should still explore new means to secure better "working conditions". I will make three suggestions as to these means:

- With regard to the workload distribution in the coming months, I notice that the agenda until the end of the present year looks rather sparse: I am especially concerned that only a limited number of reports on country matters have been issued; one can therefore fear that few country matters will be discussed in the coming weeks and will be brought to the agenda either in the second half of December, or even in the next quarter, when we would prefer to devote most of our time to discussing numerous policy matters. Regarding policy matters, I notice that many discussions will take place in March, while the schedule for February seems rather light. Therefore, while bearing in mind the various operational constraints, I still think that we should be able to manage a better spreading of our workload and advance some of the discussions presently planned for March 10-20 to February.

- Improved organization should imply avoiding, as far as possible, an overlapping of some of our discussions; indeed, we are driven to having frequent discussions on almost identical subjects, in which we repeat, at least partially, our own statements.

Hence, I do favor a better clustering of closely related topics. Obviously, this does not mean that we should confine ourselves to overly general debates; on the contrary, such an approach should enable us to clarify the issues we address, without necessarily increasing the number of discussions. One solution might consist in having a more general debate on topics such as the debt strategy or the functioning of the IMS, then, if necessary, followed by discussions on more specific issues. All these discussions could take place within a rather short period of time.

- I agree that we need some flexibility: for example, we should be able--whenever possible--to bring forward discussions, or conversely, postpone or delay some topics when the agenda is overloaded. We must also avoid too many changes on the agenda which could be disturbing in the planning of our workload.

In my view, the Board should play a more important role in planning the agenda by providing some guidance to management. I still think that we should continue to express our views at reasonable and regular intervals on the "tentative schedules" proposed by the Secretary, certainly more than twice a year.

2. I will now briefly touch on the various items proposed for discussion:

- On the World Economic Outlook and the functioning of the IMS: My authorities welcome the discussion on structural policies in industrial countries, since they are of the view that we must go ahead in this area; however, we should avoid any duplication of work with the OECD. On the IMS, My authorities cannot but emphasize the continuing role of the IMF to look for ways of improving the functioning of the IMS. Some interesting topics are proposed for discussion and I am wondering if it would not be helpful to regroup our debates within a limited stretch of time, in light of the proposal on clustering I mentioned previously. I would also suggest that the experience of the EMS should be considered not only in connection with the integration of financial markets, but also in relation to the paper on "nominal anchors".

As regards the "principles of surveillance", it would seem better to postpone the review to give more time for a better assessment of the implications of the Fund's work in this field.

As far as the General Quota Increase is concerned, it is time now, in view of our deadline of next April, to adopt a more operational approach which could lead to a decision.

- As for the management of the debt situation, I have no difficulties; I would only suggest clustering the paper assessing the characteristics of different items with the paper reviewing developments in the international capital markets.

- As regards the SDR and international liquidity, we can support the continuation of studies on the role of the SDR in the IMS. On the issue of SDR allocation, we would have preferred a more formal discussion prior to the next Interim Committee meeting, based solely on the papers produced by the staff during the past two years. As a last point, we note that a lot of papers on closely-related issues are to be distributed in the near future; I therefore suggest that we try to cluster them as much as possible.

- Concerning overdue financial obligations, I go along with the planning of our discussions. It goes without saying that the Board must be closely informed of the developments in this area, particularly on the implementation of our cooperative approach; this implies that we should have discussions--both formal and informal--as often as necessary.

- Turning now to the Fund's Financial policies, I broadly agree with the main outlines of the program. We support the suggestion that the extension of the enlarged access policy be decided on a lapse of time basis. We also support the temporary extension of the decision on the compensatory financing of fluctuations in the cost of cereal imports, until the next review of the CCFF. As regards the ESAF, we are concerned by the small number of agreements reached so far and therefore before the formal review therefore we would like to examine the reasons why the discussions with eligible countries are proceeding so slowly. As for the paper on "Official Balance of Payments Assistance for low-income countries and Fund-supported programs", I must admit that I am unclear as to the purpose and would appreciate some clarifications. Is this paper related to the World Bank's experience with the Special Program for Africa?

- On the conditionality and program design, we consider that it is helpful to look further into the subject of growth-oriented adjustment programs. However, we must remember that the traditional macroeconomic conditionality is in the very nature of the Fund and that the SBA must remain the basic instrument for adjustment within a reasonable timeframe. In this context, it would also be interesting to have a discussion focusing mainly on the problems of implementing our basic macroeconomic conditionality.

- Regarding the important problem of Bank-Fund collaboration, I note that no discussion is scheduled until the Interim Committee. I believe, however, especially in light of the most recent developments that we need to hold a comprehensive and thorough discussion in the near future. Perhaps the paper which will be transmitted to the G-10 Deputies could give us the opportunity to have a first exchange of views on this matter. It would have also been helpful to have explained the differences between this paper and the one to be distributed after the Interim Committee on the modalities of collaboration.

- With regard to the Fund's liquidity position, we wonder if an annual review would not be sufficient, provided that we are able to discuss this subject when needed.

- Finally, Mr. Chairman, we are in favor of advancing by a week the timing of the Board's informal recess during the summer.