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June 16, 2010

To: Members of the Committee on Liaison with the World Bank and Other International Organizations (Mr. Bakker—Chair; Mr. Alazzaz, Mr. Callesen, Mr. Fayolle, Mr. Guzmán, Mr. Mozhin, Mr. Pereira, Mr. Rutayisire)

From: Jianhai Lin, Committee Secretary

Subject: **Reform of the Annual Meetings**

Please find attached a paper on reforming the Annual Meetings of the Board of Governors of the IMF and the World Bank. The paper includes a draft report of the Executive Board to the Board of Governors regarding the change of the 2010 and 2011 Annual Meetings' date, which appears on page 7. The paper will be considered by the Liaison Committee on Tuesday, June 22, at 2:30 p.m. in the Board Committee Room (HQ1 12-120B).

Questions may be referred to Ms. Psalida, SEC (ext. 35360).

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

LIAISON COMMITTEE DISCUSSION PAPER

**Reforming the Annual Meetings of the Boards of Governors of the
International Monetary Fund and the World Bank Group**

Prepared by Secretary's Department
In Consultation With Other Departments

June 16, 2010

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Summary

This paper covers issues that concern both the Bank and the Fund. Fund-only issues are not covered in this document.

The Annual Meetings remain popular and enjoy high visibility, but there is much unrealized potential for fully leveraging this unique, near universal gathering. It is proposed that a number of reforms be undertaken to enhance the effectiveness of the Meetings and to best meet their objectives in the 21st century. Since the proposed reforms are intrinsically interrelated and strive to formulate one cohesive event, it is essential that they be designed and implemented as a package to ensure maximum effectiveness and cost efficiency. Otherwise, the Meetings will continue to be a conglomeration of scattered events and messages.

A short and focused plenary at the beginning of the event could become the flagship of the Meetings. The plenary would be part of an enhanced and expanded set of activities to promote global partnership: some of the events around the Annual Meetings, such as the Program of Seminars, could be reformulated to attract greater interest from the private sector, academia/think tanks, and civil society. Scaling up media exposure could include inviting global broadcast networks and regional media to establish a presence at the Annual Meetings location and achieving a deeper regional reach.

Achieving greater cost efficiency could be reached in a number of ways such as through more efficient use of office space and telecommunication equipment, reducing the cost of printing speeches and other materials, and promoting cost-sharing through partnership with local institutions. Given the short time period remaining between now and the Annual Meetings, we will need to prioritize the reforms by focusing on the key elements of the Meetings now. In due course, for 2011, the remaining reforms would be phased in.

I. BACKGROUND

1. By today's standards, the Meetings are too long, their format is out of date, and use of modern technologies has been limited. There is, therefore, an urgent need to modernize the Meetings.
2. This note, which can serve as background for discussion, lays out the purpose of the Annual Meetings for the 21st century and makes some suggestions for reforming the Meetings that could help realize their full potential.

II. PURPOSE OF THE ANNUAL MEETINGS IN THE 21ST CENTURY

3. **The fundamental objectives of the Annual Meetings remain the same but the modalities have changed over time.** These objectives are to:

- **Provide Governors with the opportunity to engage in substantive deliberations and to vote on issues relevant to the exercise of their powers under the Articles.** They should not only serve as a gathering of Governors required by the Bank/Fund's legal framework, but also as a forum for them to address the membership and wider audiences beyond the confines of the physical location.
- **Present a well articulated culmination of the year's work and promote the strategic goals of the Bank and the Fund, while retaining focus on the membership.** The occasion should also allow the Managing Director of the Fund and the President of the Bank to present the year's achievements and communicating key messages to the membership and the world.
- **Leverage the near-universal gathering of policymakers and luminaries for discussing global economic, financial, and development challenges.** In this context, the meetings should provide a rich networking platform for influential policy-oriented minds to interact and communicate their diverse visions in a visible way. Reforms in this area could be introduced in phases.

III. A PROPOSED NEW FRAMEWORK FOR THE ANNUAL MEETINGS

4. **The aim of the suggestions laid out below is to enhance the effectiveness of the Meetings, while striving for cost efficiency.** This could be achieved by making the Meetings more interactive, reaching out to broader groups of participants, and taking advantage of modern technology.

A. A short and focused plenary

5. **The plenary could be made the focal point around which the Meetings are organized to fit today's needs.** It could provide an opportunity for the heads of the Fund and the Bank as well as the Chair of the Board of Governors and the host government to address the assembled Governors in a way that celebrates the membership and showcases the year's accomplishments and the challenges ahead, while taking into account the increasing time constraints of Governors and other participants.

6. **A short early plenary would enhance effectiveness.** The plenary should precede the Ministerial Meetings to enhance their impact. It could be the official opening of the Meetings. Furthermore, given the low attendance after the first hour, it could be shortened significantly (to, say, 2 hours) with only a handful of speakers. It will be necessary to ensure that the Governors have the medium to address delegates. Consideration could be given to taping Governors' speeches and making them available through a continuous feed as well as posting them on the external website.

7. **In subsequent years, we could look at options for interactive discussions within the plenary.** One of these options could be a thematic plenary discussion, where keynote speakers are invited to address Governors and other meeting participants on a particular theme of relevance to both the Fund and the Bank. Other options could include regional plenary sessions or sub-groups reporting back to the plenary. Sub-groups could be formed around particular regions or themes, with each group meeting before the plenary. The chair of each sub-group could then be invited to address the plenary.

B. Streamlining the formal business

8. **There is scope for streamlining the statutory requirement of the official business of the Annual Meetings.** Specifically, the required formal business consists of consideration by the Governors of the annual statement of the Bank and the Fund's financial accounts, presentation by the Executive Directors of an Annual Report, and selection of the Chair and Vice-Chairs of the Board of Governors as well as membership of the Joint Procedures Committee (JPC). The first three items are normally the subject of resolutions adopted at the Annual Meetings. Other resolutions, such as allocation of net income, are normally adopted at the meetings, but there is no requirement to do so.

9. **The time devoted to formal business during the plenary session could be reduced.** Although the time saving of this item may be limited, the streamlining could help refocus the plenary on a more active engagement. This could be achieved by having the JPC meet only when necessary. In addition, decisions on formal business could be approved following a very brief introduction and explanation of the proposed resolutions by the Chairman, instead of calling for the report of the JPC's conclusions during the plenary.

C. Promoting a global partnership

10. **Promoting a global partnership could be achieved through an expanded set of activities:**

- **Program of Seminars.** Building on the successful seminars in Istanbul, Bank/Fund staff would continue to provide high-quality seminars on cutting edge economic/financial/development issues.
 - Starting the Program of Seminars with a high-impact public debate (such as the BBC World Debate in Istanbul) would help project the Meetings to a global audience.
 - Partnering with other institutions and think tanks—e.g., Brookings, CGD, Peterson Institute, or CSIS when in Washington and local institutions when abroad—would help broaden the coverage of issues, lower costs, and enhance the impact of the work of the Fund and the Bank.

- **Engagement with civil society.** Greater visibility for CSOs in the Program of Seminars and other events would further integrate them into the Meetings.
- **Networking opportunities.** Provide networking locations and opportunities for ministers, financial market participants, and others from the private sector.

D. Scaling up media exposure

11. **Enhancing media presence will deepen the reach of the Meetings around the world.** Inviting global broadcast networks and regional media to establish a presence at the Annual Meetings location would help to increase media coverage, including a deeper reach of regional audiences.

E. Improving cost efficiency

12. **The Annual Meetings remain relatively expensive despite the cost-saving measures introduced in recent years.** A survey of other international organizations suggests that the Meetings are larger and more costly than those of others, likely reflecting the larger membership and size of the Bank and the Fund.¹ That said, strenuous efforts will be made to achieve cost efficiencies by examining every facet of the Meetings.

13. **Additional measures could be considered to further enhance cost efficiency.** Since the format has not changed over decades, there is likely to be one-time expenses, including to institute better use of technology. In the long run, however, these measures are expected to reduce the costs of the Meetings. Taking into account the experience of the 2009 Annual Meetings in Istanbul, the measures listed below could go a long way toward this goal:

- Efficient and creative use of office space and use of telecommunication equipment;
- A substantial reduction in printing speeches and other materials, to be replaced by internet postings, broadcast on screens set up especially for the meetings;
- Cost-sharing with host governments through partnership with local universities, foundations, and think tanks, which could provide venues and help organize events/activities; and
- Introduction of new technologies for electronic information boards, registration, and access control.

¹ The 2009 OIA Report recommended that the Bank-Fund Annual Meetings cost-sharing arrangements be reviewed as should the Fund's internal lines of responsibility and accountability regarding Annual Meeting expenses. The Bank and the Fund are already working on the OIA report's recommendation to better understand the expenses through a weekly forensic audit which began about 4 months ago.

IV. PROPOSED NEXT STEPS

14. **Staff has undertaken wide consultations, including with Bank and Fund management, department heads, the Liaison Committee and Bank and Fund Executive Directors.** There is widespread support for many of the changes described in the paper.

- Following these consultations, staff has formally approached the U.S. authorities for moving the plenary earlier, i.e., to Friday, October 8, 2010.
- Management and staff will shortly approach Minister Aganga, Chairman of the Board of Governors, to seek his support for the reforms outlined above.
- It is proposed that the Liaison Committee recommend to the Executive Board that the Executive Board propose a resolution to the Board of Governors changing the dates for the 2010 and 2011 Annual Meetings to accommodate the format changes described in paragraph 6 of this Discussion Paper (as detailed in the Appendix).

**Report of the Executive Board to the Board of Governors on Forthcoming
Annual Meetings of the Boards of Governors**

Forthcoming Annual Meetings—Change of the 2010 and 2011 Annual Meetings Date

On September 28, 2009, the Board of Governors adopted Resolution No. 64-5 concerning the timing and locations of the 2010 and 2011 Annual Meetings. The wording of the Resolution is as follows:

“RESOLVED

THAT the 2010 Annual Meetings shall be convened in Washington, D.C., on Monday, October 11, 2010, which will be the Columbus Day public holiday in the United States; and

THAT the 2011 Annual Meetings shall be convened in Washington, D.C., on Monday, September 26, 2011.”

The Managing Director and the Chairman of the Board of Governors recommend that, in the context of reforming the format of the Annual Meetings, the 2010 Annual Meetings should take place on Friday, October 8, rather than on Monday, October 11. This recommendation has been approved by the IMF and World Bank Executive Boards. Accordingly, the Executive Board recommends that the attached Resolution be adopted by the Board of Governors by vote without a meeting.

To be valid, votes must be cast by Governors or Alternate Governors and must be received at the seat of the Fund on or before 6:00 p.m., Washington time, on Wednesday, July 21, 2010. Votes received after that date and time will not be counted.

DRAFT RESOLUTION

***Forthcoming Annual Meetings of the Boards of Governors
Change of Dates for 2010 and 2011 Annual Meetings in Washington D.C.***

RESOLVED

THAT the 2010 Annual Meetings shall be convened in Washington, D.C. on Friday, October 8, 2010, and that Resolution 64-5 shall be amended accordingly; and

THAT the 2011 Annual Meetings shall be convened in Washington D.C. on Friday, September 23, 2011, and that Resolution No. 64-5 shall be amended accordingly.