

EB/LC/10/2

June 18, 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: **Background Note on Scope of the Work of the Liaison Committee**

Attached is a short discussion note on the possible scope of the work of the Liaison Committee. Issues for discussion appear on page 2. The note will be considered by the Committee on **Tuesday, June 22 at 2:30 p.m.** in the Board Committee Room (HQ1-12-120B).

Questions may be referred to Mr. Cirillo, SEC (ext. 36710).

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

Committee on Liaison with the World Bank and Other International Organizations

Background Note for Discussion

***Terms of Reference (TOR):** 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 makes recommendations to the Executive Board regarding Fund relations with these organizations, as appropriate.*

The Committee could focus on liaison with the World Bank, WTO, the UN, and other international financial institutions (IFIs). It could act as a point of contact on issues of mutual interest among IFIs at the Executive Board/Governing Council level.

Scope of Work

The LC's work could be established along the following lines:¹

- The LC could establish regular contacts between the Boards of the Fund and the World Bank to discuss issues of mutual interest.² The Bank's Committee on Governance and Executive Directors' Administrative Matters (COGAM) could be an interlocutor on issues related to the reform and conduct of the Annual Meetings, and on other issues of common interest.
- The LC could be a locus for collaboration with the UN (at the Executive Board level), in particular the ECOSOC, given the latter's involvement in economic and financial matters. Since 2005, there have been regular High-Level Spring Dialogues, to which Fund and Bank Executive Directors have been invited, and the LC could act as the focal point for that interaction. The LC could also interact with the UNDP Executive Board on issues of common interest, including LIC issues and capacity building.

¹ The LC's scope of work could be affected by any further suggestions by the Working Group on Board Committees on improving the structure of committees, as well as by other procedural reforms that would enhance the effectiveness and efficiency of the Executive Board.

² The Bank Board has five standing committees—Audit, Budget, Development Effectiveness, Governance and Executive Directors' Administrative Matters, and Human Resources.

- The LC could also serve as a point of contact with its counterpart in the WTO on issues of mutual interest.

Issues for Discussion

- Is there a need for greater collaboration and information sharing on issues of common interest between the Fund and World Bank Executive Boards?
- What could the LC do to enhance Bank-Fund collaboration? What fields of cooperation could warrant the LC's particular attention?
- How would the LC play the role of a point of contact with its counterpart in the WTO on issues of common interest?