

EB/LC/11/1

STRICTLY CONFIDENTIAL

May 19, 2011

To: Members of the Committee on Liaison with the World Bank and Other International Organizations (Mr. Perez-Verdia—Chair; Mr. Assimaidou, Mr. Andersen, Mr. Hockin, Mr. Legg, Mr. Mozhin, Mr. Sadun)

From: Alessandro Zanello, Committee Secretary

Subject: **2012 and 2013 Annual Meetings**

The attached paper on the 2012 and 2013 Annual Meetings of the Board of Governors of the IMF and the World Bank, which is being circulated to the members of the Committee at the request of the Chairman, will be considered by the Liaison Committee on **Tuesday, May 24, 2011 at 10:00 a.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

2012 AND 2013 ANNUAL MEETINGS

A. Egypt as a Host for the Annual Meetings

1. **Reflecting their exceptional circumstances, the Egyptian authorities have expressed their wish to host the Annual Meetings in 2013 instead of 2012.** This request reflects significant delays in preparations for the Meetings in Sharm El-Sheikh, especially during the past six months. The authorities noted that recent historic developments account for much of the delay, and re-iterated the new government's commitment to put preparations for the Meetings on a solid footing for 2013.
2. **Fund and Bank managements support the authorities' request, in light of the special circumstances** and the desire to signal support for the new government's efforts in this area. Accordingly, management's proposal is to give the Egyptian authorities the opportunity of hosting the Annual Meetings in 2013.
3. **In this context, the Egyptian authorities will carry out the meeting arrangements for 2013 essentially as had been previously agreed for 2012.** They have already begun making their preparations for the 2013 Annual Meetings.

B. Proposed Location for the 2012 Annual Meetings

4. **In recent days, the Fund and the Bank have received an expression of strong interest from Japan to host the 2012 Annual Meetings in Tokyo.** It is unusual to receive a request at such a late stage and a consideration of such a request is only feasible if: (i) the physical facilities are already in place, obviating the need for complicated preparations, including construction, and the associated uncertainty; and (ii) the authorities are strongly committed and have the capacity available to execute this complex operation in a very compressed time frame.
5. **Fund and Bank managements support the Japanese authorities' proposal as, *inter alia*, it would constitute an expression of appreciation to a country that has always supported both institutions.** Furthermore, staff is of the view that Tokyo comfortably meets the requirements that it has satisfactory facilities for holding the 2012 Annual Meetings. The authorities have indicated, and the staff concurs, that the Fund and the Bank need to signal their agreement to hold the 2012 Meetings in Japan by early June, to allow them to begin preparations as soon as possible.

C. The Process to Date and Next Steps

6. **The members of the Fund's Liaison Committee discussed on May 10 the above proposals and broadly support them.** They recommended that: (i) staff should indicate to the Japanese authorities the endorsement in principle of the members of the Committee so that Japan is able to secure the hotel rooms prior to the issuance of the current paper; and

(ii) staff communicates similarly to the Egyptian authorities to move forward. Since that discussion, the Japanese authorities have completed the necessary hotel block bookings.

7. The Committee members also raised two issues, namely, one of procedure and the budgetary implications of holding the Annual Meetings abroad for two consecutive years.

- **It would be necessary to follow expedited procedures to assure a timely approval of the proposed change in host for the 2012 Annual Meetings.** In normal circumstances the Board of Governors is responsible for determining the place and time for its regular meetings, although the Executive Board may change the time and place if it deems it necessary to do so because of special circumstances.¹ With the early-June date rapidly approaching, staff is of the view that in light of the special circumstances described in Sections A and B above, the Executive Board would be justified in changing the time and place of the 2012 Annual Meeting previously agreed by the Board of Governors. Accordingly, it is proposed that the Executive Board (and the Bank's Board) approve Japan to host the 2012 Annual Meetings in lieu of Egypt in accordance with Section 3(a) of the Fund's By-Laws. In contrast, the location and date of the 2013 Annual Meetings have yet to be approved by the Bank and Fund's Boards of Governors. Hence, the decision on the selection of Egypt to host the 2013 Annual Meetings would be proposed to the Boards of Governors for approval following the Executive Board's recommendation, in accordance with the usual procedure.
- **As regards the budgetary implications of overseas Annual Meetings, there will be a two-pronged strategy:** (i) a commitment to stay within the existing budgetary envelope; and (ii) in light of the above, pressing ahead with a substantial reduction of costs, including through considerable efficiency gains. Savings could be realized by, for example, reconfiguring and modernizing office space planning, streamlining meeting procedures, rethinking outdated telephone and computer set ups as well as various other services. In the longer run, such savings are essential to enable all members to host the Annual Meetings, especially low-income countries.

D. Recommendation and Proposed Decision

8. For 2012, the unanticipated historic events affecting the host country, Egypt, now make it impossible to carry out the usual Meetings' preparation adequately to host the 2012 Meetings as planned. In respect of Egypt's desire to host the Annual Meetings as approved

¹ Normally the Executive Boards of the Fund and the Bank recommend to the Boards of Governors the dates and venues for future Annual Meetings. However, Section 3(a) and 2 of the Fund and Bank By-Laws, respectively, provide that, "*if the Executive Directors shall, because of special circumstances, deem it necessary to do so, the Executive Directors may change the time and place of such Annual Meeting.*"

by the Board of Governors in 2009 and in view of the shortness of time before the date for the 2012 Meetings, the managements of the Fund and the Bank propose to accept the offer of Egypt to host the Meetings in 2013 and to select Japan as the alternative site for the 2012 Meetings based on existing capacity to meet the requirements for the Meetings.

9. Accordingly, the following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

- (i) The Executive Board approves the proposal to change the place for the 2012 Annual Meetings to be held in Tokyo, Japan commencing on October 12, 2012.
- (ii) The Executive Board approves the attached draft Report entitled “2013 Annual Meetings of the Boards of Governors of the International Monetary Fund and the World Bank Group” set forth in Attachment I of [EBD/11/--, 5/--/11] (the “Report”), and recommends adoption by the Board of Governors of the resolution (the “Resolution”) set forth therein.
- (iii) The Executive Board authorizes and directs the Secretary to send to each member of the Fund the proposal of the Executive Board set forth in the Report, with a request for a vote by each Governor on the Resolution.
- (iv) The Board of Governors is requested, pursuant to Section 13 of the By-Laws, to vote without meeting on the Resolution. To be valid, votes must be received at the seat of the Fund before 6:00 p.m. Washington D.C time on [July --], 2011. Votes received after that time will not be counted.
- (v) All votes cast pursuant to this decision shall be held in the custody of the Secretary until counted, and all proceedings with respect thereto shall be confidential until the Executive Board determines the result of the vote.
- (vi) The effective date of the Resolution shall be the last day allowed for voting.
- (vii) The Secretary is authorized to take such action as he shall deem necessary or appropriate to carry out the purposes of this decision.

ATTACHMENT I

(DRAFT)

Report of the Executive Directors to the Board of Governors

**2013 Annual Meetings of the Boards of Governors of
the International Monetary Fund and the World Bank Group**

The Governors of the Fund and the Bank for Egypt have invited the International Monetary Fund and the World Bank Group to hold the 2013 Annual Meetings of the Boards of Governors in Sharm El Sheikh, Egypt, commencing on a date to be decided in October 2013, in lieu of hosting in 2012 due to the recent exceptional events in Egypt that have delayed the preparations for the 2012 Meetings. The Egyptian authorities expressed the new government's commitment to host the Meetings and to carry out the necessary preparations for the 2013 Meetings. The Executive Board has considered the assurances given by the Government of Egypt and proposed arrangements, and recommends that the Board of Governors approve the invitation of Egypt and delegate to the Executive Board the selection of the precise dates in October for the 2012 Annual Meetings, when arrangements for the date are confirmed.

Accordingly, the Executive Board recommends that the Board of Governors adopt the attached Resolution.

**2013 Annual Meetings of the Boards of Governors of
the International Monetary Fund and the World Bank Group**

RESOLVED:

THAT the invitation of the Government of Egypt to hold the Annual Meetings in Sharm El Sheikh in 2013 be accepted; and

THAT the 2013 Annual Meetings be convened in October 2013.

THAT the selection of the precise date in October 2013 when the Meetings will commence be made by the Executive Board when arrangements for the date are confirmed.