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Concluding Remarks by the Chairman
Administrative and Capital Budgets - Medium-Term Outlook
Executive Board Meeting 93/168
December 10, 1993

I was indeed grateful to hear from a number of Directors a recognition of the enormous effort that was made by the institution to respond swiftly and effectively to the unprecedented challenge of the recent expansion of its membership. I am particularly grateful to those who noted and expressed consideration for the resulting heavy pressure on our human resources.

Directors have agreed that we must proceed with a consolidation phase, and they have welcomed the indications of management's intentions to continue with that effort over the coming medium-term budget period.

Directors welcomed the recent decision on travel policy. Directors have made several constructive comments on achieving cost savings, many of them endorsing the suggestions of Mr. Waterman. We have listened to, and noted, these comments. I will not reiterate all of them, but I would particularly recall those on the level and quality of the services provided to members and the need to improve prioritization, even if, as Mr. Sirat observed, the Board's experience with the work program shows that we are not at our best when trying to prioritize. But we must continue our efforts in this area.

I welcome Directors' emphasis in asking us to continue with strengthening the Fund's surveillance role. We will continue to do that and to shift resources whenever possible to better serve this purpose.

I note, endorse, and share the calls to improve productivity, as well as those of several Directors to consider reductions in available resources in future years. It would indeed be a magnificent signal of the success of our policies if we were able to reduce somewhat the demands on this institution, but for that we need good policies. We would also need, in addition to the best design of Fund programs, two other things: that countries voluntarily apply good policies and appropriate levels of financial support to ensure that programs are wholly successful. Let us work toward achieving the conditions that would make such reductions possible.

Directors have offered interesting comments on how to better utilize our resident representative network and better integrate it with the work of headquarters' staff. We are working intensely to do just that. But here we

must not have misunderstandings. The task of the resident representative is not so much to respond to the needs of the country where he or she is posted as to help the institution in its work with the country by gathering information, reporting on economic, social, and political developments, and following up on various issues as requested by headquarters with a view to formulating our policies and actions. A good example of the efficiency of this work is the recent supplementary paper updating interstate relations among the states of the former Soviet Union, which could not have been prepared without major, and excellent, input from our Moscow-based staff.

Directors have also offered some very constructive comments on human resource management in the Fund. I have already shared my reactions on these. I have also taken note of suggestions on improving cooperation with our sister and other institutions. Such cooperation is not perfect, and it must continuously be improved. In that regard, a few weeks ago we undertook to improve cooperation and the distribution of responsibilities with the European Community in the provision of technical assistance in the area of central banking. We will try to have more and better technical assistance, at lower cost, and I take very seriously your suggestions on the need to review technical assistance priorities and funding. I have also noted your suggestions on Annual Meetings costs.

I would like to tell you that I am working with Mr. Kafka on the preparation of a memorandum on the Executive Board Budget Committee. I expect that we will conclude our work promptly so that the Committee can soon start its work. I intend, as Directors have suggested, to bring the abundant background papers for the budget discussion to the Board for consideration in January 1994.

I wish to thank Directors for your contribution to this debate, and for your encouragement. We will try to follow suit.