

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

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0422

EBD/96/33

March 13, 1996

To: Members of the Executive Board  
From: The Secretary  
Subject: **Minimum Circulation Periods for Board Documents**

At the recent Executive Board Retreat (March 4-5, 1996), Executive Directors endorsed new guidelines on the circulation periods for Board documents. The following is the Secretary's understanding of the new guidelines:

- For all papers on requests for use of Fund resources-including requests in the upper credit tranches-and their reviews, the minimum circulation period will be two weeks.

- For Article IV consultations with members that have a systemic impact-which will be judged to include, inter alia, all the industrial countries as well as other important economies in various regions of the globe-the minimum circulation period will be three weeks.

- For other Article IV consultations, as well as for background documentation to all Article IV papers and for other country papers, the minimum circulation period will be two weeks.

- For **principal policy papers**, including papers in which new policies are being developed or new ground is being broken, the minimum circulation period will be **three weeks**;

- For **other policy papers**, including, inter alia, on issues with which the Board is already familiar, and draft reports to the Interim Committee, the minimum circulation period will be **two weeks**.

It was further agreed that the new guidelines on circulation periods would be strictly observed, and that waivers should be granted only on an exceptional basis. If a Director believes that a waiver of the circulation period for a country paper is essential, he or she must request a waiver at a Board meeting, providing at the same time a full explanation of the reasons for the request.

The new guidelines are effective immediately and will apply initially for a trial period of six months, after which the Board will review their effectiveness.

Attached for background information are a memorandum from a number of Executive Directors dated January 19, 1996, on waivers of the circulation period, which was the initiative for the discussion on the subject at the retreat (ATTACHMENT I); the previous guidelines on circulation periods (Buff/82/20, 2/23/82--ATTACHMENT II); and an exchange of memoranda between the Managing Director and the Chairman of the Working Group on Circulation Periods regarding proposals in 1992 to modify the guidelines (ATTACHMENT III).

Att: (3)

Other Distribution:  
Departments Heads



# Office Memorandum

January 19, 1996

To: The Secretary

From:

I. Clark  
H. Evans  
K. Geethakrishnan  
A. Kafka  
W. Kiekens  
K. Lissakers

Handwritten signature of I. Clark in black ink.

for:

H. Mesaki  
A. Mirakhor  
S. Schoenberg  
S. Shaalan  
E. Srejber  
E. Waterman  
J. de Beaufort Wijnholds

**Subject: Waivers of Circulation Period**

Before most Board recesses there is a rush of activity and unscheduled additions to the Board agenda with limited preparation time. This pattern was repeated, and became more pronounced, during the 1995 pre-holiday year-end period. Moreover, during the past 6 to 12 months, the document circulation period, for both country items and policy issues, has been increasingly tight. Our Authorities are increasingly concerned and have found it difficult and at times impossible to review documents to provide input.

Each individual case has its own particular source of urgency. However, the overall result is unsatisfactory. Working under conditions which allow only a number of days for transmittal and analysis of staff papers seriously hinders the quality and breadth of Fund surveillance. It also fails to do justice to the quality of work produced by staff.

We propose that the matter be discussed at an early meeting of the Executive Board. We would suggest the following changes:

- 1) A strict circulation period of a **minimum** of two weeks be imposed on both country matters and policy papers, although the three-week target should remain the objective.
- 2) Guidelines which define conditions appropriate for a request for waiver should be established; the specific reasons should be clearly identified in each request for a waiver.

cc. Managing Director  
Deputy Managing Directors  
Executive Directors

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

February 23, 1982 - 82/20

Statement by the Managing Director on  
Issuance of Papers for Executive Board Agenda

In recent discussions of the Work Program, some Executive Directors noted that their work could be facilitated if the interval between the issuance of certain Board papers and their discussion by the Executive Board could be made longer. In order to meet this wish of Executive Directors, I have established a set of guidelines for the staff on the circulation period for Board papers with which, I hope, you will agree. I believe that a case could be made for establishing an across-the-board four-week period for country items and all major policy items. Such a rule would enable thorough and informed consideration to be given to the issues those items raised. In certain instances, however, it does not seem to be feasible to keep to such a rule because of operational necessities. I do envisage, therefore, that the guidelines can, and should, be applied flexibly.

For staff reports on Article IV consultation discussions, the circulation period should normally be not less than three weeks. However, in the case of members using the Fund's resources in the upper credit tranches and those whose consultation would have an important bearing on the Fund's surveillance functions under Article IV, the circulation period should normally be not less than four weeks. The period for reports on recent economic developments would continue to be two weeks.

Staff reports dealing with requests for the use of Fund resources in the upper credit tranches should have circulation periods of not less than four weeks. This guideline would also apply to major reviews of performance under programs in such cases. As regards requests under the compensatory financing and related facilities, if the member is making use of Fund resources in the upper credit tranches, or has an inoperative stand-by or extended arrangement, the circulation period should be not less than four weeks. For other requests for the use of Fund resources, the usual circulation period would be not less than three weeks.

Turning to major policy papers, I have suggested to the staff that the circulation period should be not less than four weeks. As examples of major policy papers I would mention "The Size of Fund in the 1980s," "The Evolving Role of the SDR in the International Monetary System," and the "Review of Stand-By and Extended Arrangements." On occasion it will be desirable to try to provide for longer circulation periods for certain papers, e.g., "The Application of Fund Policies to Planned Economies." At the same time, it will be recalled that for the papers relating to the World Economic Outlook exercise, it has been agreed that the circulation period would normally be three weeks owing to the tight constraints governing their preparation.

For most other policy papers, especially those of an operational nature, the circulation period should be not less than three weeks.

\* \* \* \* \*

With respect to the various other papers of an operational or administrative character that come before the Board, I have suggested that we maintain current practice.

\* \* \* \* \*

I believe that these guidelines will serve a useful purpose. It is possible, of course, that in an urgent case an individual Executive Director may seek the agreement of the Executive Board to shorten a circulation period. I would hope, however, that such cases would be considered exceptional and that these guidelines, at least for the present, could serve in most cases. The Secretary will be of assistance to you in the application of these guidelines.



# Office Memorandum

May 15, 1992

To: The Chairman of the Executive Board

From: C. Scott Clark, Chairman  
Working Group on Circulation Periods

Subject: Guidelines on Circulation Periods Relating to Documents for Executive Board Agenda - Review

On March 13, 1992, in response to growing concerns about requests to waive the current guidelines on circulation periods for Executive Board papers in relation to the timing of their discussion, members of the Board were notified of the formation of a working group of Executive Directors to review the guidelines and to make recommendations for any changes that might be warranted to ensure that Directors and member country authorities were afforded sufficient time to react to Board papers while still enabling the Fund to respond promptly to the operational requirements of members in the context of the current heavy volume of Board and staff work (EBD/92/51). The working group met on April 21 and May 1, 1992.

As outlined in a 1982 Statement by the Managing Director on Issuance of Papers for Executive Board Agenda (Buff Document 82/20, attached), the guidelines are intended to cover all papers for Board consideration, although the working group focused its attention on their application mainly to papers dealing with use of Fund resources, which have typically drawn the majority of requests for waivers.

The working group concluded that, while the guidelines themselves remain broadly reasonable, suitably updated to encompass certain types of documents not in existence in 1982, they are not being adequately observed. Consequently, it was felt that consideration should be given to the adoption of measures aimed at encouraging stricter adherence to the guidelines whenever a waiver of the circulation period would leave Directors with less than, say, three weeks to prepare for a Board discussion, while continuing to provide the flexibility necessary to deal with unforeseen circumstances.

In this context, the working group would recommend that:

- For all major policy papers and papers on the use of Fund resources, the normal circulation period should continue to be four weeks, with the proviso that, where an operational need exists for a shorter circulation period, the Secretary would have the authority to accede to requests for a shortening of the period by up to one week;

- Any request for a shortening of the circulation period by more than one week should be made to the Executive Board in writing. For country items, as soon as possible after the circulation of the paper, the Executive Director for the country concerned should submit to the Secretary (for circulation to the Board) a detailed explanation of the basis upon which the waiver of the guidelines is being requested. Board approval of the written request could then be sought under "Other Business" at the next Board meeting.

- The aim should be to circulate staff statements or supplementary documentation containing information with important policy implications at least three days in advance of the relevant Board discussion. When circumstances make it impossible to achieve this goal, discussion of the relevant agenda item would be delayed at a minimum until the next Board day.

Members of the working group further observed that problems associated with requests for waivers of the guidelines on circulation periods touched on other related issues, including: preliminary commitments occasionally made to member authorities on the likely timing of Board discussions; the relationship between the Board's agenda and items on the agenda of the Paris Club; delays in the issuance of papers until required prior actions have been taken; and the process of preparing and clearing papers for Board discussion. Recognizing that such matters were beyond the scope of the group's terms of reference, members of the working group nonetheless expressed the hope that, especially in cases involving use of Fund resources, all parties concerned would seek whenever possible to avoid the constraints to which these factors can give rise in the scheduling of items for discussion in the Board .

Attachment



## Office Memorandum

To: Mr. Evans  
Mr. Peretz  
Mr. Santos  
Mr. Vegh

October 16, 1992

From: C. Scott Clark *CS*

Subject: Report of Working Group on Circulation Periods

You will recall that, on May 15, 1992, as Chairman of the Working Group on circulation periods, I transmitted to the Managing Director a copy of our report and recommendations. In his response, which is attached for your information, the Managing Director has indicated that he is generally in agreement with the group's conclusions but has raised a query about the recommendation concerning the timely circulation of staff statements or supplementary documentation containing information with important policy implications.

I have accepted the Managing Director's suggestion that the report of the working group be circulated to the Executive Board, together with his response, and would hope that the Board would take the opportunity soon to approve a set of revised guidelines that will address the various concerns that have led to the requested review.

Attachment: (1)



# Office Memorandum

To: Mr. Clark, Chairman  October 6, 1992  
Working Group on Circulation Periods

From: The Managing Director

Subject: Guidelines on Circulation Periods Relating to Documents for Executive Board Agenda - Report of the Working Group

Thank you for the time and effort that you and the Working Group have devoted to reviewing the guidelines on circulation periods relating to documents for the agenda of the Executive Board. I regret the delay in responding to your memorandum of May 15, 1992 and can only point to the press of work in the intervening period, which has affected all of us.

I have reflected carefully upon the conclusions set forth in your report and have been pleased to observe the increased sensitivity of staff and Directors to the need to adhere more closely to the existing guidelines. In this context, I am generally in agreement with the Working Group's recommendations, which would introduce some needed flexibility in the guidelines, while encouraging stricter observance of them in certain cases.

My only query relates to the suggestion that, where circumstances make it impossible to "circulate staff statements or supplementary documentation containing information with important policy implications at least three days in advance of the relevant Board discussion,... [consideration] of the relevant agenda item would be delayed at a minimum until the next Board day."

Certainly, with the provision of new information containing important policy implications, both Directors and capitals may need time to reflect on such material before reaching conclusions, especially those involving use of Fund resources. On the other hand, for a financial institution like the Fund, the meeting of certain operational deadlines is critically important, and these deadlines, together with timetables worked out with members, are carefully taken into account in the scheduling of our meetings. Reconciling these sometimes competing needs is, I believe, a task for the Executive Board to decide, in light of all relevant information, without the presumption of postponement. Experience has shown that the number of questionable cases is likely to be limited, and Directors should feel no reluctance in such circumstances to voice their concerns and invite the Board to determine whether a brief delay would be appropriate.

If you agree, I would be content to circulate to the Executive Board the report of the Working Group as it stands, together with this memorandum, and will await your reaction before proceeding further.

