

March 21, 1990 - 90/63

Statement by the Staff Representative on Legal Issues Regarding the
Timing of the Tenth Review of Quotas in Response to Questions
Raised at Meeting 90/13 of the Committee of the Whole
on Review of Quotas - March 19, 1990

At Meeting 90/13 of the Committee of the Whole on Review of Quotas the staff was requested to elaborate on questions concerning the four approaches regarding the timing of the Tenth Review that were outlined in the Managing Director's Statement of March 15, 1990 (Buff 90/60). This statement is in response to that request.

1. The first approach contemplates a completion of the Tenth Review by March 31, 1993, that is, five years from the end of the ninth review period. No decision regarding the timing of the Tenth Review would be needed. Since the tenth review period started on April 1, 1988, the Board of Governors will have to conduct the Tenth Review not later than March 31, 1993. One year before the end of that period, the Executive Board will have to appoint a Committee of the Whole to undertake the work on the Tenth Review and the Executive Board would need to present appropriate recommendations to the Board of Governors.

2. The second and third approaches contemplate a continuation of the review process under the Tenth Review beyond March 31, 1993.

a. As explained in the Statement of the Staff Representative at Meeting 90/3 of the Committee of the Whole on January 8, 1990 (Buff 90/6), the Board of Governors has not always found it possible to complete a review within the prescribed maximum period and has, in these cases, decided to continue its review.

Just as with the Ninth Review, a continuation of the review process under the Tenth Review beyond the maximum period, i.e., March 31, 1993, would be possible if, in the judgment of the Board of Governors, more time was needed to complete that review process. As in previous cases, the decision to continue could be taken close to the end of the period. However, the Board of Governors could also exercise that judgment earlier in light of considerations that would make it seem unlikely that the required determination on the appropriateness of quotas could be made within the prescribed period. The size of the increase in quotas under the preceding review and the late completion of the previous review could be such considerations, which could be taken into account in the judgment as to whether a completion by March 31, 1993 would seem possible. In any case, the Board of Governors could always reconsider its decision later and decide to accelerate the review process in order to reach a conclusion before the expected date.

b) The continuation beyond March 31, 1993 would be part of the Tenth Review. The eleventh review period would start on April 1, 1993. A Committee of the Whole for the Tenth Review would have to be appointed one year before March 31, 1993, in accordance with Rule D-3.

3. Under the fourth approach, the Ninth and Tenth Reviews would be completed at the same time. As explained in the Statement of the Staff Representative at Meeting 90/10 of the Committee of the Whole (EBD/90/33; 1/23/90), the five-year period is a maximum period, and the Board of Governors can conduct a general review at intervals shorter than five years.

a) The decision on the completion of the Tenth Review could be taken at the same time as the decision on the completion of the Ninth Review. A single quota increase covering both the Ninth and Tenth Reviews could be proposed which could be attributed to the Ninth Review. These decisions could be combined in one resolution.

b) Alternatively, it could be decided to complete the Ninth and Tenth Reviews at the same time, but to propose separate quota increases for the Ninth and the Tenth Reviews. In that case, quotas would enter into effect successively, leading to a further increase of quotas after the increase under the Ninth Review.

c) Under either alternative, a new five-year period would begin upon the early completion of the Tenth Review.