

# NEWS BRIEF

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## IMF SETS ORGANIZATIONAL CHANGES: ADAPTING TO NEW DEMANDS FROM CHANGING WORLD ECONOMIC ENVIRONMENT

Michel Camdessus, the Managing Director of the International Monetary Fund has announced a number of organizational changes within the IMF that are aimed at formalizing and codifying recent adaptations in departmental practices and enabling the IMF to meet the demands on the institution arising from rapid changes in the world economy. The operational principles of IMF activities remain unchanged: these seek to ensure that the IMF tailors its analysis and policy advice to each member country's individual circumstances, drawing on the experience of the membership at large, while treating its members equitably and consistently.

Area departments retain the leading role in the IMF's relations and work with individual countries. To assist in the IMF's specialized work on fiscal, monetary, and exchange rate issues, for which the IMF has core responsibilities, the terms of reference of some functional departments have been redefined. The IMF is intensifying its analytical and operational work on the institutional and structural aspects of monetary and exchange rate policies. For this purpose, the Central Banking Department has been redesignated the *Monetary and Exchange Affairs Department (MAE)*, with expanded responsibilities in the areas of monetary and exchange rate policies in the context of providing technical assistance and reviewing the advice provided to member countries. The responsibility for preparing the *Annual Report on Exchange Arrangements and Exchange Restrictions* has been transferred to MAE from the Exchange and Trade Relations Department (ETR).

ETR has been redesignated as the *Policy Development and Review Department (PDR)*. The terms of reference of PDR have been modified from those of the former ETR to codify and reinforce its IMF-wide responsibilities of policy formulation and review of the IMF's strategy and day to day work in individual countries. In performing its review role, PDR will focus on broad macroeconomic policies of member countries as well as the institutional setting in which policies are carried out. It will assist the area departments in bringing to bear in individual cases the varied experience of the IMF membership at large, while helping to ensure that IMF policies and practices are applied consistently across the membership.

The Research Department (RES) will intensify its contribution to the analysis and formulation of the IMF's broad policy advice, especially for those countries on which RES has focussed in the context of the periodic *World Economic Outlook* analysis. And, in selected cases, RES will participate in the design and review of economic programs prepared in support of members' requests for IMF financial support.

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