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July 30, 1986

To: Members of the Executive Board

From: The Secretary

Subject: Conference on Growth-Oriented Adjustment Programs

As indicated by the Managing Director at the opening of Executive Board Meeting 86/124 today, the attached memorandum contains proposals for a Conference on Growth-Oriented Adjustment Programs to be organized jointly with the World Bank. It is proposed that the conference should take place on October 15, 16, and 17, 1986. A similar proposal is being made to the Bank Executive Directors. This matter is being placed on the agenda of the Board meeting scheduled on Friday, August 8, 1986.

Mr. Finch (ext. 7847), Mr. Hood (ext. 8977) or Mr. Goldstein (ext. 7678) is available to answer any inquiries with respect to the proposal.

Att: (1)

Other Distribution:
Department Heads

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Conference on Growth-Oriented Adjustment Programs

1. Proposal

Intensified collaboration between the World Bank and the Fund in helping developing countries to design growth-oriented adjustment programs and to mobilize the financing needed to carry them out is an important element in the reinforced debt strategy. Accordingly, it is proposed to hold a joint Bank-Fund conference on growth-oriented adjustment programs.

The proposed conference would be structured to increase understanding of at least three important issues: (i) the combination of macroeconomic and structural policies that offers the best approach to achieving "adjustment with growth;" (ii) the broad lessons for growth and adjustment that can be drawn from alternative policy strategies followed by different developing countries in the past; and (iii) the role of, and prospects for, equity financing, commercial bank lending, and official capital flows in growth-oriented adjustment programs.

This would be the first time that the two institutions have held a joint conference. As such, it would represent yet another step in the evolving process of collaboration between the Bank and the Fund.

2. Timing

A number of eminent experts from around the world have been contacted about their possible availability for such a conference. From these preliminary contacts and taking into account other factors, including the dates of important international meetings and the upcoming schedule of Executive Board meetings, it became clear that the most suitable dates for the conference are Wednesday, October 15, Thursday, October 16, and (the morning of) Friday, October 17.

3. Format

The conference would begin with opening statements by the President of the World Bank and by the Managing Director on the theme of growth-oriented adjustment.

Over the first two days, the conference would contain four sessions. Two papers would be presented at each session. Two designated discussants would be assigned to each paper and the sessions would be organized to permit enough time for general discussion of each paper.

All eight papers would be written by individuals from outside the Bank and the Fund so as to provide the benefit of outside thinking on the subjects at hand. Fund-Bank staff would serve as discussants of the papers. In addition, each session would be chaired by a senior Bank or

Fund staff member who would be expected to give the views of the respective institution on the specific issues under discussion.

On the final half-day there would be a round table session involving the four session chairmen and the moderator of the conference. They would sum-up the conference proceedings and identify the major areas of agreement and contention.

4. Topics and Authors

A list of topics and of authors is attached.

5. Participation

Participation would be on a tripartite basis, comprising outside participants from the academic, official, and private sectors; Executive Directors from both institutions; and Bank-Fund staff.

Executive Directors and Alternates would of course be welcome to attend all the sessions. In order to enhance the prospects for lively and productive discussions, it would be desirable for the first two days of the conference to limit the number of participants seated at the table to about forty. This might be facilitated if each Executive Director agreed to sit at the table for one of the four half-day sessions. Under such a format, there would be ten Executive Directors (five from the Bank and five from the Fund) participating in each session. If the first two days' proceedings were held in the Fund's Executive Board Room, there would be room for at least 60-70 observers.

The round table discussion on the last day could be open to a considerably larger audience. Since the summings-up presented at this session might be of particular interest to the press, it is for consideration whether a selected group from the financial press might be invited to this session. The first two days' proceedings would not be open to the press.

6. Venue

Cost considerations suggest that the conference be held in Washington D.C. It is also proposed to have the first two days of the conference in the Fund Executive Board Room, and the final half-day session in the Bank's Eugene Black auditorium.

7. Publication of Conference Papers

The proceedings of the conference might be published by the Bank and the Fund in a volume.

8. Estimated Cost

It is estimated that the total cost of the conference would be about \$50,000, to be shared equally by the Bank and the Fund. A rough breakdown of these costs is attached. The Fund's share of expenses can be absorbed in the budget for FY87.

Attachments

Suggested Topics and Authors for Bank-Fund Conference
on Growth-Oriented Adjustment Programs

1. Macroeconomic Policies for Economic Growth

Stanley Fischer, MIT
Carlos Massad, ECLAC (Chile)

2. Outward versus Inward Policies (the trade and exchange rate regime)

Jeffrey Sachs, Harvard
Jagdish Bhagwati, Columbia

3. Structural Policies

D. Gale Johnson, Chicago
Raja Chelliah, Indian Planning Commission

4. External Financing

John Reed, Citicorp *
Yves Roland-Billecart, CCCE, France *

5. Round Table

Moderator: Richard Cooper, Harvard

* Not confirmed.

<u>Estimated Cost</u>	
1. Honoraria, 8 papers plus moderator	\$18,000
2. Travel and subsistence of conference participants (approximately 15, exclusive of Bank-Fund participants)	25,000
3. Conference dinner (approximately 100 people)	2,000
4. Miscellaneous costs	<u>5,000</u>
	\$50,000

