NOT FOR PUBLIC USE

INTERNATIONAL MONETARY FUND

Minutes of Executive Board Meeting 85/131

10:00 a.m., September 4, 1985

J. de Larosière, Chairman
R. D. Erb, Deputy Managing Director

Executive Directors	Alternate Executive Directors
	Mawakani Samba
C. H. Dallara	M. K. Bush
	H. G. Schneider
B. de Maulde	S. de Forges
M. Finaish	
H. Fujino	
G. Grosche	
J. E. Ismael	Jaafar A.
R. K. Joyce	L. Leonard
A. Kafka	
	H. Fugmann
E. I. M. Mtei	A. Abdallah
F. L. Nebbia	B. Jensen
Y. A. Nimatallah	J. E. Suraisry
P. Pérez	
J. J. Polak	
C. R. Rye	A. V. Romuáldez
G. Salehkhou	O. Kabbaj
	A. S. Jayawardena
	S. Govindarajan, Temporary
	T. A. Clark
S. Zecchini	N. Coumbis
Zhang Z.	Jiang H.

L. Van Houtven, Secretary
S. J. Fennell, Assistant

Also Present

African Department: A. D. Ouattara, Director; R. J. Bhatia, Deputy Director; G. E. Gondwe, Deputy Director; P. A. Acquah. Central Banking Department: L. M. Koenig, Deputy Director. European Department: A. Fidjestol, G. Szapary. Exchange and Trade Relations Department: C. D. Finch, Director; W. A. Beveridge, Deputy Director; M. Guitián, Deputy Director; G. Belanger, J. T. Boorman, E. H. Brau, S. Kanesa-Thasan, G. R. Kincaid, R. L. Sheehy, C. M. Watson. External Relations Department: A. F. Mohammed, Director; H. O. Hartmann, R. A. Krieger. IMF Institute: O. B. Makalou. Legal Department: G. P. Nicoletopoulos, Director; J. G. Evans, Jr., Deputy General Counsel; P. L. Francotte, W. E. Holder, A. O. Liuksila, S. A. Silard. Research Department: A. D. Crockett, Deputy Director; R. R. Rhomberg, Deputy Director. Secretary's Department: J. W. Lang, Jr., Deputy Secretary; A. P. Bhagwat, P. D. Péroz, S. L. Yeager. Treasurer's Department: S. I. Fawzi. Western Hemsiphere Department: S. T. Beza, Associate Director. Personal Assistant to the Managing Director: S. P. Collins. Advisors to Executive Directors: L. K. Doe, D. Hammann, S. M. Hassan, J. Hospedales, J.-C. Obame, P. Péterfalvy, G. W. K. Pickering, T. Sirivedhin, E. M. Taha, D. C. Templeman, M. A. Weitz. Assistants to Executive Directors: J. R. N. Almeida, I. Angeloni, M. B. Chatah, J. de la Herrán, G. Ercel, C. Flamant, R. Fox, S. Geadah, V. Govindarajan, L. Hubloue, O. Isleifsson, A. R. Ismael, Z. b. Ismail, J. M. Jones, M. Lundsager, R. Msadek, J. A. K. Munthali, K. Murakami, E. Olsen, M. Rasyid, J. Reddy, J. E. Rodríguez, M. Sarenac, A. A. Scholten, L. Tornetta, E. L. Walker, Yang W., A. Yasseri.

1. EXECUTIVE DIRECTORS

The Managing Director welcomed Mr. de Forges as Alternate Executive Director for France and Mr. Jiang as Alternate Executive Director for China.

2. ROLE OF FUND IN ASSISTING MEMBERS WITH COMMERCIAL BANKS AND OFFICIAL CREDITORS

Executive Directors continued from the previous meeting (EBM/85/130, 8/30/85) their consideration of a staff paper on the role of the Fund in assisting members with commercial banks and official creditors (EBS/85/173, 7/23/85; Sup. 1, 8/13/85; and Sup. 1, Cor. 1, 8/14/85).

The Director of the Exchange and Trade Relations Department stated that the staff viewed enhanced surveillance as a service to members that were experiencing debt problems and that wished to normalize their relationship with their creditors. A key element in the staff's consideration of the problem had been the objective of encouraging the commercial banks to make their own judgments about a country's economic situation. The staff had aimed to limit the Fund's role in influencing those judgments. The depth of Fund involvement in providing advice, particularly regarding trigger mechanisms, had been considered carefully by the staff. The banks were not always clear about the most appropriate monitoring techniques, and there was a danger that some proposals could lead to excessively complex or inappropriate monitoring. The staff was of the view that there would be occasions when Fund technical assistance would be helpful, even in those areas in which the member and the creditors made the final arrangements. For example, in the Yugoslav case of enhanced surveillance, the Fund had helped the member by pointing out the consequences of the banks' proposals.

If the banks were encouraging the country undertaking enhanced surveillance procedures to adopt measures that were contrary to the policies deemed appropriate by the Fund, the Fund could indicate its views to the member, the Director indicated. However, the banks would be free to make any agreement with the member that they wished. Enhanced surveillance was intended only to be helpful to the member within the proposed guidelines. The formulation of the quantified program was clearly the responsibility of the member: the staff was required not to provide a seal of approval but to discuss it with the members and review progress under the program in its six-monthly report. The staff would be maintaining close contact with the authorities and would be in a position to assess the consequences of the program and advise the authorities on the trigger mechanisms and program targets. The Executive Board discussions on the member concerned would guide the staff in its consultations with the authorities.

Enhanced surveillance was in some ways an extension of regular Fund surveillance as outlined in Article IV, as a number of Directors had noted, the Director of the Exchange and Trade Relations Department

remarked. It could be argued that the staff should help authorities, in the framework of Article IV consultations, to formulate adjustment programs if it would assist countries to normalize relations with their creditors. That issue would be discussed in the staff papers which would be prepared on surveillance in late 1985. One Director had also emphasized the applicability of enhanced surveillance in cases where a member had made prolonged use of Fund resources. The problem of prolonged use was of a deep-rooted nature and could not be solved only through enhanced surveillance procedures. That problem might be dealt with to some extent through the use of Trust Fund resources. The staff, in a paper being prepared on conditionality, would try to determine whether the continued weakness in many of those countries had been properly diagnosed and whether appropriate policy actions had been recommended.

In the paper currently before the Board, the staff had set out guidelines that it hoped would help the staff and management to consider future cases of enhanced surveillance, the Director explained. The staff would review the enhanced surveillance procedures after further experience had been gained.

The staff representative from the Exchange and Trade Relations Department recalled that a number of questions had been raised about the criteria proposed by the staff for implementing enhanced surveillance. An impressive record of adjustment by the member requesting enhanced surveillance should be demonstrated in terms of the implementation of appropriate adjustment policies and progress toward the achievement of the major objectives. The Executive Board should be confident that the authorities would continue to implement appropriate policies over the period of enhanced surveillance. The question had been raised whether enhanced surveillance was necessary if spontaneous lending to the country was expected to be restored. The enhanced surveillance procedures were intended to help those countries that were facing humps in the amortization schedule. A multiyear rescheduling arrangement would help to smooth those payments, after which spontaneous lending was likely to be restored. Enhanced surveillance might be necessary to enter into the multiyear rescheduling arrangement, which, in turn, would improve the amortization problem, making spontaneous lending feasible. The fourth criterion--that enhanced surveillance should benefit the member--was proposed by the staff to emphasize that the request of the member was critical for the introduction of the enhanced surveillance procedures. Neither the Fund nor the creditors should press a member into accepting such procedures. That criterion also meant to indicate that enhanced surveillance would benefit the member by fostering the adjustment that was necessary.

In previous cases of enhanced surveillance, staff and management had emphasized that the information provided in the staff reports released to the banks should not be the only information on which the banks based their decisions on the appropriateness of the policies and medium-term prospects of the member, the staff representative pointed out. The banks should use the staff reports as part of a broader array of information to decide if and when the member's adjustment policies went off track. There

had been a conscious effort on the part of management and staff to foster greater independence and a more active role on the part of the creditors.

Technical assistance from the Fund in formulating trigger mechanisms would be hard to avoid, the staff representative considered. The banks often had questions regarding the statistics presented in the staff reports. Furthermore, it was important to the success of enhanced surveillance that the concepts and definitions of the data be fully understood. Yugoslavia was a case in point: the banks had needed help in understanding the usefulness of certain indicators they were considering as trigger mechanisms. Clearly, technical assistance on trigger mechanisms should be to the benefit of the member.

The staff did not consider that the arguments it had presented against trigger mechanisms could be applied equally to performance criteria, the staff representative stated. The trigger mechanisms proposed by the banks had typically been very specific, focusing on an end result. However, performance criteria included in Fund-supported programs have focused on policy instruments and on intermediate targets within the overall objectives of the financial program. Moreover, the Fund had well-defined procedures for modifications and waivers of performance criteria that were important in the implementation of the adjustment program. Furthermore, performance criteria were included in a program in part to give the member confidence regarding actions that would be needed to have access to Fund resources.

The staff would have regular and frequent contacts with the member during the enhanced surveillance arrangement, the staff representative indicated. The role of the creditors in monitoring and evaluating the policies and performance of the member country had yet to evolve. The banks had not identified clearly any format through which that contact would be made. Some Directors had suggested a possible role for the Institute for International Finance or other institutions in that connection.

The reference to "other cases" in the third sentence on page 15 of the staff report was intended to refer merely to any future requests for enhanced surveillance, the staff representative stated. The termination of an enhanced surveillance arrangement by the Fund need not necessarily be a negative development. It could be that the arrangement was no longer necessary as the banks had improved their monitoring and evaluating techniques of the policies and adjustment programs of the member concerned. However, an arrangement could be terminated because the member's policies had gone so far off track that surveillance was no longer necessary. Each case would have to be reviewed individually.

It was difficult to determine the costs, in terms of the staff's and the Executive Board's workload, involved in enhanced surveillance procedures, the staff representative from the Exchange and Trade Relations Department remarked. The formulation and monitoring of traditional Fund-supported adjustment programs involved a great deal of staff time,

management time, and Executive Board time. An enhanced surveillance arrangement, even with semiannual reviews, was unlikely to involve the same degree of staff time.

The Director of the Legal Department said that the Fund had legal authority to engage in enhanced surveillance. One of the underlying purposes of the Fund, as embodied in the Articles of Agreement, was to help members in connection with their balance of payments problems. It was to be hoped that with the advice and assistance of the Fund, members would adopt economic adjustment policies that would make it unnecessary for them to make use of the Fund's resources. Thus, the Fund could provide nonfinancial assistance only at the request of the member and if the assistance would benefit the member and be consistent with the interest of the membership at large. The legal basis for enhanced surveillance was embodied in Article I, Article IV, and Article V (2)(b), which expressly authorized the Fund to provide financial services to members at their request, provided that those services were found to be consistent with the purposes of the Fund. On a previous occasion, the Fund had helped a member to formulate a program of economic adjustment, had monitored the country's performance under that program, and had provided information to the member's creditors. A group of central banks, under the auspices of the Bank for International Settlements, had undertaken to provide financial assistance to the United Kingdom when it had needed assistance in connection with requests for conversion of sterling imbalances. On that occasion, the Executive Board had authorized the Managing Director to monitor the performance of the United Kingdom and to inform the central banks involved of developments in the U.K. economy.

The Fund's role in enhanced surveillance was limited, the Director of the Legal Department indicated. Although the Fund would help the member to formulate an appropriate adjustment program and would provide information to the creditors on the member's progress in implementing the program, it was the responsibility of the banks to decide whether to provide the financial resources and whether to continue with the arrangement. Under the enhanced surveillance procedures, a staff report on the member concerned would be submitted to the Executive Board for its discussion. The Executive Board would then authorize the member to release the staff report to the banks.

Mr. Dallara noted that the staff had emphasized that enhanced surveillance was strictly a service to the member. However, as the Fund might be called upon by the member or the banks if the trigger mechanisms were activated, he was puzzled by the staff's view that the Fund had no interest in those trigger mechanisms, particularly as the staff had acknowledged that its advice regarding triggers in the Yugoslav case had been helpful. It was not clear what the trigger mechanisms actually involved and what action they triggered. The Fund should be involved in determining the potential reactions to triggers to ensure that they were in the interest of the member. He was not certain that enhanced surveillance was an arrangement solely between the member and its creditors,

particularly given the nature of the consultation process on the part of the Fund. The Fund should be involved informally in the evolution of enhanced surveillance arrangements.

He was concerned by the staff's continued emphasis on the importance of the quantified program being formulated entirely by the member, Mr. Dallara stated. That principle could affect the outcome of the multiyear rescheduling arrangement for Ecuador, as the rescheduling agreement with the Paris Club had been based on an understanding that there would be Fund involvement in formulating a program for Ecuador. Official creditors were also involved in multiyear rescheduling arrangements, and it was inappropriate to develop arrangements that would not be suitable for potential official creditor involvement.

He agreed that the problem of prolonged use of Fund resources was a broad issue, Mr. Dallara indicated, but his authorities continued to believe that there was some relationship between the substance of enhanced surveillance and the problem of prolonged use. He wondered whether the criterion regarding the impressive adjustment record would have been met if it had been in place when the enhanced surveillance procedure with Venezuela had been approved.

The Director of the Exchange and Trade Relations Department remarked that the language relating to the trigger mechanisms in the contracts for enhanced surveillance was that of the commercial banks. The banks decided on the quantitative targets and on the consequences if those targets were not met. For example, the banks were particularly concerned about the level of a member's international reserves. The kind of action that the banks would consider taking should the triggers be activated included interrupting the refinancing of the maturities falling due, limiting new lending, or declaring the member in default. In practice, the banks' advisory group would recommend some degree of negative action. If the enhanced surveillance arrangement were interrupted by the banks, the member could approach the Fund with a request for a stand-by arrangement, but it was ultimately up to the Executive Board to approve that request. The staff had been careful to indicate that there was no commitment on the part of the Fund to approve a Fund arrangement should the enhanced surveillance procedures fail.

Although the enhanced surveillance arrangement was between the member and the banks, the Fund, by agreeing to allow the member to release the staff reports to its creditors, had indicated its involvement in the process. In some cases--Mexico, for example--the agreement for enhanced surveillance had referred indirectly to the possibility that the authorities could turn to the Fund if problems arose.

The multiyear rescheduling arrangement with Ecuador had been associated with the pursuit of a stand-by arrangement by the authorities, the Director commented. It was therefore important with respect to the Paris Club agreement that Ecuador continued to implement the quantified, formal Fund-supported adjustment program. With respect to the enhanced

surveillance procedure for Venezuela, the staff had felt that the authorities had taken impressive adjustment measures, particularly regarding the exchange rate and the public sector borrowing requirement. The criterion regarding the need for an impressive adjustment effort by the member requesting enhanced surveillance should be interpreted flexibly. Adjustment efforts need not necessarily be within a formal Fund-supported adjustment program.

Responding to a question from the Chairman, the Director of the Exchange and Trade Relations Department said that the third year of the multiyear rescheduling arrangement with Ecuador was not covered by the stand-by arrangement being implemented. If Ecuador's record continued to be as impressive as it had been thus far, the final year of the multiyear rescheduling arrangement would include Fund involvement in the form of enhanced surveillance, an arrangement that had been accepted by the Paris Club.

The staff representative from the Exchange and Trade Relations Department remarked that the existence of an enhanced surveillance arrangement for Ecuador at the end of the stand-by arrangement did not dictate whether the Paris Club would agree to further rescheduling. The rescheduling was conditional upon an assessment provided by the staff to the creditors under the enhanced surveillance procedures. The official creditors, unlike the commercial creditors, would also have access to the Chairman's summing up on Ecuador's performance under the stand-by arrangement.

The Chairman stated that the contrasts being made between a quantified adjustment program formulated by the Fund and a program that was solely the responsibility of the authorities was perhaps misplaced. All member governments formulated their macroeconomic policies in the format of a quantified program. Under the enhanced surveillance procedures, the Fund staff had the opportunity to express its opinions on the adjustment programs in a staff report that would be released to members' creditors. Clearly, if the staff had made a negative appraisal of a member's quantified program or its performance under the program, the creditors would be able to take any action they deemed appropriate. In agreeing to enhanced surveillance, the authorities had accepted that they would consult the Fund staff on a periodic basis prior to formulation of the program and during implementation of the adjustment measures. Such a form of consultation between the authorities and the staff encouraged collaboration but allowed the authorities to be independent in formulating their policy decisions. The enhanced surveillance procedures were evolving and their implementation would be defined more clearly with experience.

Mr. Nebbia commented that enhanced surveillance was a new mechanism aimed to improve relations between debtors and creditors. It was still unclear where the new mechanism would lead. However, it seemed as though the Fund was moving in the direction of helping member countries to formulate adjustment programs along the lines of a stand-by arrangement but without the use of Fund resources.

The Deputy Managing Director said that the staff had placed great emphasis on avoiding, within the framework of multiyear rescheduling arrangements, any procedures that would provide on/off signals to the banks. However, clearly the staff was not precluded from making either positive or negative statements about a country's economic policies. There was therefore an incentive for the country to formulate its policies in consultation with the Fund staff in order to avoid circumstances in which a country might be following policies that the Fund staff considered inappropriate. The introduction of multiyear rescheduling arrangements and enhanced surveillance had encouraged countries to develop a more explicit, forward-looking economic policymaking process, a development which in turn had made it easier for the commercial banks to become involved in the new procedures.

Mr. Polak stated that he agreed with Mr. Salehkhou that triggers, if properly implemented and supplemented by other criteria and modifications, would reduce the judgmental elements in enhanced surveillance. However, that had not been the case for the triggers insisted on by the banks in the Yugoslav case. The banks had insisted on rather arbitrary figures for the trigger mechanisms, which had not truly reflected the country's economic position. However, the staff had helped to make the triggers as meaningful as possible in a purely technical sense.

Mr. Fugmann noted that the staff had stated that the four criteria proposed in its paper were basically those that had governed previous cases. If those guidelines had been applied more strictly, not all of the previous cases of enhanced surveillance would have been approved, a development that he would have welcomed. On that basis, he reached the opposite conclusion from that of Mr. Dallara--namely, that the guidelines on criteria were necessary and should be applied more strictly.

Mr. Dallara reaffirmed that his authorities believed that the Fund's approach to enhanced surveillance should be restrictive. However, that was not to say that cases should be judged by rigidly defined criteria. The Chairman's remarks regarding the collaborative nature of enhanced surveillance arrangements would be reassuring to his authorities.

The Chairman, responding to a question from Mr. Joyce, said that the multiyear rescheduling arrangement with Ecuador had been associated in part with a stand-by arrangement, which included performance criteria. The last year of the multiyear rescheduling arrangement did not coincide with direct Fund involvement in Ecuador. It was understood that the authorities would consult with the Fund during that period and that the Fund would have some input in the formulation of policies.

The Fund could not impose its views on the commercial banks, the Chairman commented in response to questions from Mr. Zhang. If the banks decided to interrupt the multiyear rescheduling arrangement because they considered that the country's economic performance had been unsatisfactory, the Fund was unlikely to continue carrying out enhanced surveillance procedures. The Fund and the member would perhaps consider a

different kind of similarity, possibly in the form of a more formal Fund-supported arrangement. It was difficult to define the relationship between the three parties involved in enhanced surveillance: the banks, the Fund, and the member country. The Fund had a privileged relationship with a member in terms of its responsibility for providing assistance and carrying out surveillance. However, commercial banks were an important component in the financing of the balance of payments of member countries. The Fund should be ready to help its members, if requested by them, in their relations with the commercial banks.

The Deputy Managing Director remarked that the banks were not yet a homogeneous group: they had different interests, and those interests were likely to change over time as banking relationships with the country changed. For example, a bank that had a banking relationship with a member might not be involved in a multiyear rescheduling arrangement with that country and, therefore, would not be receiving the staff reports, or the relative importance of a bank in a multiyear rescheduling arrangement might change over time. It was therefore difficult to refer to the banks' role in enhanced surveillance as if they were a single party to the arrangement.

Mr. Salehkhou noted that it appeared that the banks were taking advantage of the privileged relationship between the Fund and its members by encouraging both parties to enter into enhanced surveillance arrangements. Despite the comments from the Director of the Legal Department, he did not consider that a discussion by the Executive Board of a staff paper implied that the staff views were those of the Fund.

The Director of the Legal Department said that the appraisal in the staff paper represented the views of the staff. Under the enhanced surveillance procedures, the banks would receive the views of the staff rather than those of the Executive Directors. Although the Executive Board authorized the member to transmit the staff report to its creditors, the staff views presented in the paper did not become the views of the Executive Board unless the Board expressly endorsed them.

The Chairman stated that he recognized that a number of Executive Directors doubted the advisability of transmitting the staff reports to the commercial banks. However, Executive Directors should remember that in June 1984 the Executive Board had indicated to him that annual rescheduling arrangements were not a rational and forward-looking way to deal with the debt situation. He had, therefore, suggested to the banking community that they should consider multiyear rescheduling arrangements. The bankers had stated that they would be willing to go in that direction if they had some indication that the countries concerned would maintain their efforts to adjust their economies. In fact, the bankers had hoped that those countries would continue adopting formal stand-by arrangements during the consolidation period. The Fund management had indicated its opposition to such an approach, which would commit the Fund in too rigid and too protracted a fashion and would relieve the banks from making

their own judgments regarding members' policies. The bankers and management had eventually agreed that the Fund would authorize member countries to transmit staff reports to their creditors twice a year if they were involved in a multiyear rescheduling arrangement. The approach finally agreed upon was very mild compared with the on/off signals from the Fund that the banks clearly wanted.

Mr. Salehkhou commented that the Fund should consider what measures it could take to ensure that the banks did not force debtor countries to adopt enhanced surveillance procedures.

Mr. Nebbia remarked that he was concerned by the staff's reference to a review at the end of the specified period of enhanced surveillance to determine whether sufficient progress had been made to re-establish normal surveillance procedures. As enhanced surveillance procedures were approved for a given period of time following a request by the member, he wondered why such a review was necessary. Surely regular surveillance procedures should be re-established automatically unless the member requested that the Fund consider a new arrangement, whether enhanced surveillance or a formal Fund arrangement.

The staff representative from the Exchange and Trade Relations Department stated that the staff was referring to the question whether the period for enhanced surveillance should be shorter than the consolidation period, and if so, whether a review would be appropriate to determine whether enhanced surveillance should continue. The staff was not referring to enhanced surveillance arrangements that lasted for the duration of the consolidation period.

Mr. Kafka noted that the staff had made a distinction between the first report under enhanced surveillance procedures, which should be released only after Executive Board consideration of the enhanced surveillance agreement, and subsequent staff reports, which should be released as soon as they were issued, prior to the Executive Board meeting. If staff reports were released only after Executive Board consideration, the pressure on the member country to release the Chairman's summing up of the Board discussion, whether openly or in a disguised manner, would be almost irresistible. The staff reports should be released as soon as they were distributed to Executive Directors.

Mr. Grosche, Mr. Polak, and Mr. Clark indicated their agreement with Mr. Kafka.

Ms. Bush stated that she favored the release of staff reports to the banks only after the Executive Board meeting. It would be useful if the Executive Board's views, as indicated in the Chairman's summing up, were distributed to the commercial banks, particularly if they were at variance with those expressed in the staff report.

Mr. Fujino remarked that his authorities would be embarrassed if the commercial banks had received and analyzed the staff report before they

had had the opportunity to review it. He therefore favored release of the staff report after the Executive Board meeting.

Mr. Finaish said that he agreed with Mr. Fujino. It would be awkward for his authorities if the commercial banks had received the staff reports before them. It took between two and three weeks for staff papers to reach some of the countries in his constituency.

The Chairman proposed that the Executive Board could agree to authorize the release of staff reports two weeks after they had been distributed to Executive Directors.

Mr. Nebbia indicated his agreement with Mr. Fujino.

Mr. Nimatallah commented that in his summing up the Chairman should indicate some flexibility regarding the duration of Fund involvement in enhanced surveillance procedures, which should be allowed to extend beyond the consolidation period if deemed necessary. Furthermore, it might be advisable to leave some flexibility regarding the timing of the distribution of the staff reports. He favored the distribution of the Chairman's summing up to the creditors. The enhanced surveillance procedures should be reviewed whenever the Executive Board considered such a review to be appropriate.

Mr. Clark remarked that the summing up of the meeting should indicate that enhanced surveillance procedures should not necessarily be restricted to multiyear rescheduling arrangements and that not all of them should necessarily be associated with enhanced surveillance procedures.

Ms. Bush indicated her agreement with Mr. Clark.

Mr. Nebbia commented that it was his understanding that enhanced surveillance procedures should only be associated with multiyear rescheduling arrangements. Why would a country that was not negotiating a multiyear rescheduling arrangement be interested in undertaking enhanced surveillance procedures?

Following a further brief discussion, the Executive Board agreed to continue the discussion in the afternoon.

DECISIONS TAKEN SINCE PREVIOUS BOARD MEETING

The following decisions were adopted by the Executive Board without meeting in the period between EBM/85/130 (8/30/85) and EBM/85/131 (9/4/85).

3. PAPUA NEW GUINEA AND TONGA - TECHNICAL ASSISTANCE

In response to a request from Papua New Guinea for technical assistance in reviewing the possible role of the central bank in development financing and a request from Tonga for a mission to discuss draft legislation relating to the establishment of a central bank, the Executive Board approves the proposal set forth in EBD/85/224 (8/28/85).

Adopted September 3, 1985

4. EXECUTIVE BOARD TRAVEL

Travel by Executive Directors and by an Advisor to Executive Director as set forth in EBAP/85/227 (8/30/85) is approved.

APPROVED: May 14, 1986

LEO VAN HOUTVEN
Secretary