

**FOR
INFORMATION**

EB/APC/15/2

September 30, 2015

To: Members of the Agenda and Procedures Committee

From: Jianhai Lin, Committee Secretary

Subject: **Compendium of Executive Board Work Procedures—Further Revised Redlined Version**

Committee Action: Committee members' **information**

Additional Information: Attached is a further revised redlined version of the *Compendium of Executive Board Work Procedures*. This version incorporates Executive Directors' comments provided during the June 18, June 25, and July 14, 2015 Agenda and Procedures Committee meetings.

It is intended that the final version of the revised *Compendium* will be circulated to the Executive Board and posted on the SEC webpage and IMF Connect after October 16, 2015.

Questions: Mr. Rumbaugh, SEC (ext. 36094)
Mr. Cirillo, SEC (ext. 36710)

Additional Distribution: Members of the Executive Board

COMPENDIUM OF EXECUTIVE BOARD WORK PROCEDURES

SECRETARY'S DEPARTMENT

AUGUST 2015

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LIST OF ACRONYMS AND ABBREVIATIONS

Agenda and Procedures Committee	APC
Annual Progress Reports	APRs
Assessments of Financial Sector Supervision and Regulation	AFSSR
Calendar Management System	CMS
Committee on the Rules for the Regular Election of Executive Directors	CREED
European Central Bank	ECB
European Union	EU
Extended Credit Facility	ECF
Financial Sector Stability Assessment	FSSA
Flexible Credit Line	FCL
General Resources Account	GRA
Global Financial Stability Report	GFSR
Heavily Indebted Poor Countries	HIPC
Independent Evaluation Office	IEO
Integrated Surveillance Decision	ISD
Interim Poverty Reduction Strategy Paper	I-PRSP
International Monetary and Financial Committee	IMFC
Joint Staff Advisory Note	JSAN
Lapse of Time	LOT
Letter of Intent	LOI
Memorandum of Economic and Financial Policies	MEFP
Organization for Economic Cooperation and Development	OECD
Policy Support Instrument	PSI
Post-Program Monitoring	PPM
Poverty Reduction Growth Trust	PRGT
Poverty Reduction Strategy Paper	PRSP
Report on the Observance of Standards and Codes	ROSC
Staff-Monitored Program	SMP
Technical Assistance	TA
Technical Memorandum of Understanding	TMU
World Economic and Market Developments	WEMD
World Economic Outlook	WEO
World Trade Organization	WTO

I. INTRODUCTION

1. This compendium has been prepared by the Secretary's Department (SEC) and reviewed by the Legal Department (LEG). It describes the main policies, practices, and procedures that relate to the workings of the Executive Board, as they are presently applied.¹ It also serves as a reference guide for Executive Directors and their offices, management and their advisors, and staff who participate in Board meetings. The full text is available on the SEC intranet and IMF Connect.
2. Work procedures for the Executive Board originate in the IMF's Articles of Agreement (particularly Article XII), supplemented by the By-Laws (including Sections 1, 5, 6, 9, 10, and 13–22) and the Rules and Regulations (including the C-Rules). The compendium is intended to be fully consistent with these documents; however, if there is any instance in which a provision of the compendium conflicts with established policy, such policy prevails. Legal interpretations concerning Board procedures are informed by the advice of LEG. Also, the compendium does not explain how policy matters relating to Fund member countries are handled in the Board; comprehensive guidelines on many of these subjects are available on the Strategy, Policy, and Review Department (SPR) intranet.
3. The compendium complements other reference material circulated by SEC. There is no unique definition of what constitutes the work procedures of the Executive Board and that should therefore fall within the purview of this guide. However, the intention is to minimize duplication with other sources. The compendium excludes matters related to the preparation of Executive Board documents, which are covered in the Guide to the Preparation of Correspondence and Documents (the [IMF Style Guide](#)). There is also no information on the constituencies of individual Executive Directors; this information is available on SEC's web pages.
4. With the focus on describing procedures as they are presently applied, only limited explanation is given of how these procedures have developed over the years. To the extent possible, the compendium draws on decisions and guidelines that have been agreed in the past by the Executive Board, updated as needed. Where written documentation of procedures and practices does not exist, new material has been prepared by SEC describing informal understandings. Indeed, in addition to documenting existing procedures, the compendium seeks to facilitate ongoing efforts to further clarify and streamline Executive Board procedures, including in the context of discussions in the Agenda and Procedures Committee (APC).
5. The appendix contains a list of background documents, which are available on the SEC intranet. These often contain extensive references to earlier Board documents that may be consulted by readers wishing to obtain greater historical perspective on how practices have evolved over the years.

¹ [A comprehensive set of reforms to Board procedures was adopted in 2010 as described in *Executive Board Working Group on Committees—Report on Board Practices*, FO/Dis/10/223.](#)

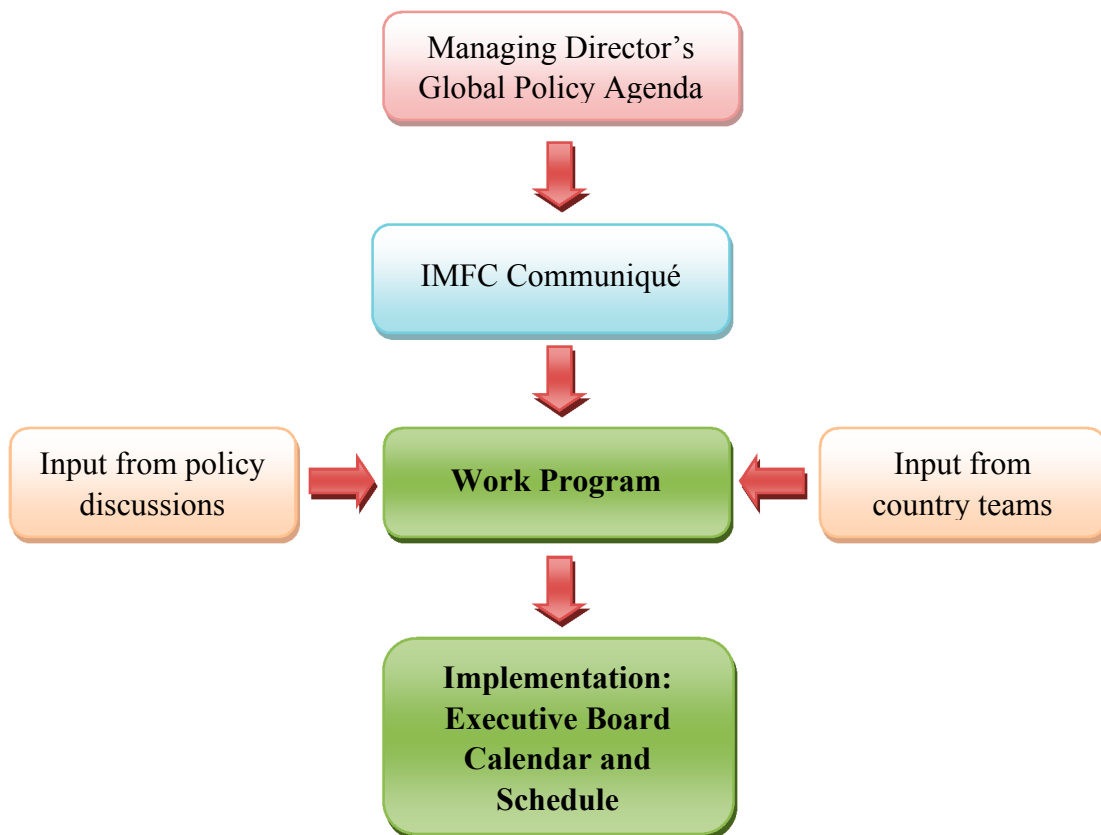
6. ~~In 2010, the Executive Board adopted a set of reforms to boost the effectiveness and efficiency of its work.~~ It should be emphasized that most of the procedures for the Executive Board are in the nature of guidelines, rather than requirements. Moreover, the compendium is not intended to describe how the Executive Board will address the issues that are placed on its agenda. The very nature of Board activities frequently creates situations that cannot be predicted in advance. The approach that has always worked is for the Board to find solutions in a pragmatic manner, with tact, judgment, and discretion, rather than with formal rules.

II. EXECUTIVE BOARD WORK PROGRAM

2.1. Setting the Work Program

7. The Managing Director submits twice yearly, following the Spring and Annual Ministerial Meetings, a statement for the Board's consideration on the proposed work program for the period until the following ministerial meetings, along with a rough outline of the Board agenda for the subsequent six months. The statement is guided by the Managing Director's Global Policy Agenda, and inputs provided by Fund departments on their forthcoming activities (see the work program preparation flow chart below), and includes a proposed calendar of Board meetings for the coming six months. This procedure is seen as an effective mechanism for reaching agreement between management and the Board on priorities for work on policy and administrative items, as well as indicating a schedule for country items.

Work Program Flow Chart



8. The Managing Director's statement on the Work Program highlights priority issues, including those identified by the IMFC, and provides management's views on how and when they should be addressed. The Managing Director's statement focuses on those core priorities, and is presented to the Board along with a supplementary note from the Secretary. The aim is to encourage the Board to focus its review of the Work Program statement on the key items, while keeping the Board informed of the totality of the staff's planned work for the Board; and to give the staff a good indication of how papers should be prioritized.

9. Following the Board discussion of the proposed Work Program, the Secretary circulates a memorandum addressing points and answering queries raised by Executive Directors, and the Managing Director's statement is placed on the IMF's external web site. Implementation of the approved Work Program is monitored carefully by SEC. Beginning in 2009, the Board has held informal follow-up discussions periodically to consider implementation and general scheduling issues.

2.2. Managing the Work Program

10. A key concern of the Executive Board has been to smooth the flow of Board meetings over time, create more balanced scheduling of the type of Board meetings (for example, country versus policy, and formal versus informal sessions), and minimize changes in meeting schedules, in particular at short notice. To help minimize bunching of Board meetings in peak periods, and to make better use of slack time after these periods, the following measures have been implemented: (i) no new policy issues for formal Board discussion are usually scheduled in the period between the Board recess (usually in August) and the Annual Meetings, barring exceptional circumstances; (ii) the interval immediately before the Spring and Annual meetings is set aside as an overflow period, with no items scheduled for that time in advance and; (iii) the interval immediately after the Spring and Annual Meetings is used to consider policy and administrative items that are not time-sensitive. SEC will continue to work closely with other Fund departments to improve the scheduling of Board meetings.

11. In addition, the following steps have been implemented to ensure a balance in the types of items brought to the Board: (i) no more than one policy item for which Directors may issue grays is generally scheduled for Board discussion on any given day; (ii) similar policy and country items are grouped for Board discussion when feasible and appropriate; (iii) when appropriate, research papers are classified as background documents (for example, to support World Economic Outlook (WEO) or Global Financial Stability Reports (GFSR) discussions) rather than as separate items for formal Board discussion; and (iv) continued efforts are made to strengthen coordination between the work program, staff, and management (including management travel).

12. The Secretary works closely with staff, management, and Executive Directors—including through the APC—on the Work Program and the scheduling of Board discussions. Area departments have been requested to take greater account of Board scheduling constraints, both in proposing items for Board consideration and in their mission planning process; and policy departments have been requested to propose timings for Board consideration only after taking realistic account of the time required for the preparation and

clearance of policy papers. In agreement with the interdepartmental Task Force on Calendar Management, the number of planned stand-alone Article IV consultations has been restricted in peak periods, in particular in the periods ahead of the end-of-year and summer recesses.

13. Through its Board Calendar Management System (BCMS), SEC seeks to bring greater balance and predictability to the Board calendar. The System allows SEC to track from a very early stage the status of departments' plans to bring items to the Board agenda. In their submissions on the Work Program, area departments are asked to spell out their Article IV consultation mission plans up to one year in advance, and to give greater weight to the timing of missions to help avoid congestion in the Board calendar. This reduces the episodes of heavy and light periods of meetings during the year, and lends greater certainty to planned dates for Board discussions. It also helps to avoid the need for meetings on Tuesdays and Thursdays when the World Bank Board meets.

14. In updating the calendar, SEC receives daily requests for additions and modifications from departmental staff. In the case of country items, SEC confirms the update with the Executive Director concerned and with management. Calendar update notices are e-mailed to Executive Directors' offices, usually on a weekly basis and occasionally more often. At the time of the e-mail notification, the full calendar of confirmed items is posted on IMF Connect. SEC seeks to announce all Board meetings one month ahead of the Board date, on a continuous basis. Every effort is made to avoid changes to the monthly calendar, unless warranted by exceptional circumstances. The Board calendar for seven days in advance is posted on the Fund's external website.

III. EXECUTIVE BOARD MEETING ARRANGEMENTS

3.1. Scheduling Board Meetings

15. Article XII, Section 3(g) of the IMF Articles of Agreement stipulates that the Executive Board shall function in continuous session at the principal office of the Fund and shall meet as often as the business of the Fund may require. Article XII, Section 3(h) stipulates that a quorum for any such meeting shall be a majority of the Executive Directors having not less than one half of the total voting power.

16. Rule C-1 of the Rules and Regulations specifies that the Chair of the Board shall call meetings of the Board as the business of the Fund may require. In the absence of the Managing Director, who is the Chair of the Board, meetings are called by a Deputy Managing Director. Rule C-2 provides that the Chair is required to call a meeting at the request of any Executive Director. The Chair determines when to schedule such meetings, but should aim to do so promptly.

17. Meetings are normally held on Monday, Wednesday, and Friday. Best efforts are made to avoid meetings on Tuesday and Thursday, which in principle are set aside for meetings of the World Bank Executive Board, committee meetings, and to allow time for Executive Directors to prepare for Board discussions.

18. Special considerations apply to the scheduling of Board meetings to discuss IEO reports. The principle of promoting the timely discussion of IEO reports is recognized by staff, management, and the Executive Board, consistent with the need to accord management sufficient flexibility in scheduling Board meetings. Against that background, the following guidelines apply.²

- Board consideration of an IEO report should generally be scheduled within six weeks of its circulation to the Evaluation Committee. Executive Directors should receive any comments on the report by management and staff at least two weeks prior to the Board discussion.
- In the event that specific circumstances require a departure from the norm, management will explain the reasons for it to the Executive Board in a timely fashion, following consultation with the Chair of the Evaluation Committee, who will be given an opportunity to present his views. An Executive Director may request that a discussion of the IEO report be added to the agenda items to be considered on any Executive Board date~~An Executive Director may request that a discussion of the IEO report be placed on the agenda of any Executive Board meeting that has already been scheduled by the Managing Director~~ (in accordance with Rules C-1 and C-6).

² See “External Evaluation of the Independent Evaluation Office—Follow-Up,” EBAP/07/4, 1/10/07.

3.2. Format of Board Meetings

19. Rule C-3 of the Rules and Regulations provides for ordinary meetings and executive sessions of the Executive Board. Board meetings fall into two categories: (i) formal Executive Board meetings (which may be held in executive session); and (ii) informal sessions.³

Typology of Board Meetings and Sessions

Feature	Executive Board Meetings 1/	Informal Session <u>to Briefs</u> 2/	<u>Informal Session to Engage</u> 2/
Chaired by	Management 3/	Management/Staff	<u>Management</u>
Attendance restriction	Related to Classification of Supporting Document(s)	May be restricted 4/	<u>May be restricted</u> 4/
Supporting document(s)	Yes	Possible <u>5/</u>	<u>Yes</u> 5/
Directors may issue statements	Yes	Rarely 56/	<u>Rarely</u> 56/
Directors prepare views	Yes	Possible 4/	<u>Yes</u> 4/
Executive Board decisions	Possible	No	<u>No</u>
Summing Up/ <u>Chairman's Statements</u>	Yes	No	<u>No</u>
Minutes	Yes	No	<u>No</u>

1/ The Executive Board, at the request of the Managing Director or an Executive Director, may meet in executive session, where attendance is restricted (Rule C-3(b)).

2/ Includes informal meetings, WEO/WEMD updates, reports on individual country developments, area department updates, informal country matter sessions, and management and staff briefings.

3/ In the absence of management, the Executive Director selected by the Board (Rule C-5(b)).

4/ Will be clarified in meeting announcement.

5/ If publication is proposed the cover page of the document would indicate the intention to publish the document two days after the informal session.

~~56/~~ Directors would normally not issue statements for informal sessions but may do so on rare occasions to promote a more efficient discussion.

Formal (Ordinary) Executive Board Meetings

20. Most Executive Board meetings are formal meetings in which the Board may adopt decisions and reach understandings related to the business of the Fund. Written staff background documents are provided, summings up issued and/or decisions adopted, and minutes prepared. Such Board meetings are chaired by the Managing Director or a Deputy Managing Director.⁴ Issues related to attendance at ordinary meetings are discussed in Section 3.5 of this compendium.

³ In addition to these Board meetings, staff regularly organizes “staff briefings” for which attendance of staff from Executive Directors’ offices is understood to be optional.

⁴ In the absence of management, the Executive Director selected by the Board chairs the meeting (Rule C-5(b)).

Executive Sessions

21. Under Rule C-3(b), the Executive Board, at the request of the Managing Director or an Executive Director, may meet in executive session. Executive sessions are distinguished from ordinary meetings in that only Executive Directors (or their Alternates), the Managing Director, and Deputy Managing Directors are allowed to attend the meeting, unless others, such as the Secretary, essential staff, and OED Senior Advisors/Advisors are permitted by the Executive Board. Meetings in executive session are held only rarely to discuss sensitive issues.

Informal Sessions

22. Informal sessions are informal meetings of Executive Directors where Directors are not deliberating as a decision-making organ of the Fund. Directors may present their own views and the views of their authorities in this setting. No decisions are taken and no summing up or minutes are prepared. As a general rule of thumb, Directors are informed in advance whether the primary purpose of the informal session is to brief or to engage. An informal session to brief is to update Directors on technical and routine matters, or updates on specific country matters. An informal session to engage is to seek the views of Directors (or their capitals) on a particular matter, normally with the expectation that staff will have some follow-up work such as a formal meeting on the topic. Informal meetings to brief could be chaired by either management or staff, while informal meetings to engage would normally be chaired by management.

~~22. Informal sessions are informal meetings of Executive Directors where Directors are not deliberating as a decision-making organ of the Fund. Directors may present their own views and the views of their authorities in this setting. As a general rule of thumb, Directors are informed in advance whether the primary purpose of the informal session is to: (i) engage Directors on a particular matter to solicit their views (in which case the session would normally be chaired by management); or (ii) brief Directors on technical and routine matters, and updates on specific issues and/or country matters (in which case the session could be chaired by either management or staff). No decisions are taken and no summing up or minutes are prepared.~~

Committees of the Whole

23. A Committee of the Whole consists of all the Executive Directors and is chaired by the Managing Director or one of the Deputy Managing Directors. The committee meets in an informal setting to consider matters of interest to all Directors that do not require a formal decision. Committees of the Whole have been established to discuss and report on issues related to the quinquennial reviews of members' quotas (in accordance with Rule D-3, at least one year prior to the time when a general review of quotas must be undertaken by the Board of Governors, the Executive Board is required to appoint a Committee of the Whole to study the matter and prepare a written report, or promptly if such a review is conducted before the required time); and to consider and approve the proposed agendas for meetings of the Development Committee. ~~Summings up or~~ Concluding Remarks are normally prepared

for meetings of the Committee of the Whole on Review of Quotas, and minutes are also prepared.

Remote Board Meetings

24. In light of logistical difficulties that may be posed by inclement weather or unforeseen events that can potentially interrupt the Fund's normal working hours and/or prevent Directors from physically attending a meeting, and to ensure that the Board is able to meet if the business of the Fund so requires, the legal framework was amended in 2013 to permit emergency meetings by means of telecommunication in exceptional circumstances as part of the Business Continuity Plan. No remote Board meeting has yet taken place.

25. Decision No. A/12281, which authorizes the Managing Director to select an alternative location for a Board meeting under the Business Continuity Plan, also explicitly authorizes the Managing Director to convene a meeting of the Executive Board by means of telecommunication when an emergency precludes a meeting at a physical location.⁵ Rule C-12 allows for a Director to vote by means of telecommunication in exceptional circumstances. It is still the case that no Director may vote at any meeting by any other method than in person unless the Board decides otherwise in a meeting convened by way of telecommunication. No Director may vote at any meeting by proxy.

3.3. Setting the Board Meeting Agenda⁶

26. Except in special circumstances as determined by the Chair, Executive Directors are entitled to be notified of items on the agenda of a meeting at least two full business days before a meeting convenes. In practice, notice of the agenda of a meeting is given as far in advance as possible. Reasonable notice is especially important when a proposal to be brought before the Board implies a change of Fund practice or policy, or the establishment of exceptions to existing practice or policy.

27. The agenda is proposed by the Chair and includes any item requested by an Executive Director. The order of the items on the agenda for a given day is determined in a flexible manner. A prime consideration for determining the order of items for a given day is the availability of management, with the objective of ensuring that if the Managing Director is not in the chair, to the extent possible the Deputy Managing Directors chair meetings on items/countries that are in their respective areas of main responsibilities. Policy items are ordinarily placed first followed by items on the use of Fund resources and then by other country items. In practice, where prior actions need to be taken before Board consideration of a country item, the item is normally placed on the agenda if the prior actions have been completed at least five working days before the date scheduled for the meeting.

28. Executive Directors are notified of new or modified tentative agenda items for future Board meetings through updates of the calendar of Board meetings, which are routinely circulated electronically. In addition, the agenda for the Board meeting is posted on the

⁵ See EBAP/13/35, 4/3/13.

⁶ These procedures are based on Rules B-3 and C-1 to C-9 of the Fund's Rules and Regulations.

intranet and IMF Connect, to which a link is circulated electronically to Executive Directors the afternoon before the meeting. Board meeting agendas are maintained online and are searchable electronically. The agenda posted on the Fund's external website excludes items taken up in restricted or informal meetings, housekeeping matters, and electronic links to document texts.

29. Executive Directors' offices are notified by e-mail of the timing of the commencement of the Board discussion on individual agenda items. In general, a 10-minute interval is observed between each agenda item. At the conclusion of an item, the Chair announces the starting time of the next item and the meeting is interrupted until that time. Matters not on the agenda may be considered at a meeting only by unanimous consent of the Executive Directors present. The Board may decide to postpone consideration of an item on the agenda by a majority of the votes cast.

3.4. Chairing Board Meetings

30. Article XII, Section 3(b) provides that the Managing Director is Chair of the Executive Board. It is the duty and right of the Managing Director to chair meetings of the Executive Board unless there is a reason for his/her unavailability. If the Managing Director is not in the chair, the First Deputy Managing Director, or one of the Deputy Managing Directors, takes the chair.

31. An Executive Director may not call,⁷ but may chair a Board meeting. This would happen pursuant to rule C-5(b) in the rare circumstance where management would call a meeting, but the Managing Director, the First Deputy Managing Director, and the Deputy Managing Directors are unavailable at the time of the meeting. In that case, an Executive Director selected by the Executive Board would chair the Board meeting. The Executive Directors would select a Chair from among them at the beginning of the meeting, before taking up the items of business. The Secretary would inform Executive Directors in advance that it will be necessary for the Board to choose an Executive Director to serve as Acting Chair for that meeting. The Executive Director so chosen retains his right to vote as the Executive Director for the constituency that elected or appointed him, but does not have the Managing Director's right to cast the deciding vote in case of an equal division.

32. When the Managing Director should not chair a meeting because of a conflict of interest, it has been customary for the Dean of the Board, or in his absence, the next most senior Executive Director in terms of length of service on the Board, to chair the meeting.

33. On occasion, Executive Directors have met informally, with the Dean chairing the meeting. If in the course of such an informal meeting with the Dean as Chair, it becomes apparent that a formal decision of the Executive Board is needed, a formal Board meeting is convened (invoking "special circumstances" under Rule C-7) and chaired by management, or a decision is taken by the Board on LOT basis.

⁷ As stated above, under Rule C-2, the chairman shall call a meeting at the request of any Executive Director.

3.5. Attendance at Board Meetings

Attendance by Executive Director Offices, Management, and Staff

34. As provided in Rule C-3(a), ordinary Executive Board meetings are open for attendance by not only the Executive Directors, but also their Alternates, Senior Advisors, and Advisors. The Deputy Managing Directors are entitled to attend all ordinary meetings of the Executive Board. Attendance at such meetings is also open to the Secretary and such other staff members as indicated by the Chair. For some years, there has been an understanding that, given the limited space in the Board Room and to ensure minimum seating for each constituency, Executive Directors will cooperate by limiting attendance from their offices at ordinary Board meetings to no more than three persons per office, except for individual country items involving an Article IV consultation or use of Fund resources for a member of their constituency. Staff attendance is limited to persons whose presence is required and for whom space is available (subject to authorization by the Front Office of their department). Fund consultants are not allowed to attend Board meetings unless authorized beforehand by management and the Board. Authorizations may be granted to Fund consultants who participate in a staff mission or assist in drafting the Board paper to attend the Board discussion on that particular item.

35. Attendance at a limited number of ordinary meetings has been restricted, for instance, when for the sake of information security the circulation of the relevant documentation is limited. Each Executive Director's office may be requested to limit the number of persons attending such meetings, and staff attendance is also limited, as directed by the Managing Director. The Board discussions on the WEO, GFSR, and Fiscal Monitor are routinely held in restricted meetings. Similarly, Board consideration of side letters is carried out in restricted sessions, pursuant to Board Decision No. 12067-(99/108), September 22, 1999. Minutes of restricted meetings are prepared, but their circulation is more limited than the circulation of minutes of other ordinary Board meetings.

Attendance by the Staff Association Committee (SAC) Representatives

36. The chairperson of the Fund SAC (or his/her representative) may be invited to Executive Board meetings of major interest to the staff, primarily discussions on staff compensation and benefits or other matters pertaining to ~~personnel~~ human resource policies and their conditions of service. The Board decides whether the SAC representative may be allowed to make a presentation, answer questions or respond to comments, and whether he/she will then leave the meeting or will be allowed to attend the full Board deliberation.

Attendance by Officials of Member Governments

37. Article XII, Section 3(j) of the Fund's Articles and Section 19(1) of the By-Laws provide for the attendance of a representative of a member that is not entitled to appoint an Executive Director at an Executive Board meeting when a request is made by, or a matter particularly affecting that member is under consideration. Under paragraph 4 of Schedule L of the Fund's Articles and Section 19(2) of the By-Laws, members whose voting rights have been suspended pursuant to Article XXVI, Section 2(b), are entitled to send a representative

to attend any meetings of the Board of Governors or the Executive Board, but not any meetings of their committees, when a request made by, or a matter particularly affecting, the member is under consideration. The member may waive this right or give the Fund notice of its intention to send its representative to that meeting.

38. Except with regard to the right of representation of members as set out in the paragraph above, officials of member governments, including the prime minister or minister of finance, may attend ordinary meetings of the Executive Board only if management and the Executive Board approve of their attendance. Such approval has been relatively uncommon, in the interest of fostering uninhibited Board deliberations.

39. Requests for attendance by officials of a member government (outside the scope as set out in paragraph 37 above) are generally made informally to the Secretary. SEC brings the request to the notice of the Executive Board under “other business” in advance of the meeting day, in order to seek Board approval. If instead a request for attendance is made at the beginning of a discussion, or if the request is a separate agenda item prior to the discussion, the Chair asks the Executive Board if it is willing to have the official present for the whole discussion, or if he/she should only make a presentation, answer questions, and then leave.

Attendance by Officials from Other International Organizations

40. Standing arrangements are in place for attendance at Executive Board meetings by World Bank Executive Directors and their Alternates, Senior Advisors, and Advisors, World Bank staff, and representatives of the World Trade Organization and the European Central Bank (ECB). There are no provisions for attendance by members of any other international organizations. Requests by outsiders for attendance, other than by the institutions noted above, are considered by the Executive Board for approval in advance of the meeting.

World Bank Executive Directors and their Office Staff

41. Guidelines for cross-attendance at Fund and Bank Board meetings were agreed at an informal meeting of Fund and Bank Executive Directors in May 1999 (see FO/DIS/99/96). An Executive Director or the Alternate may attend, as an observer, any formal Board meeting of the other institution that is not “restricted.” However, exceptions may be made on a case-by-case basis. Given the limitations on seating in each Board Room, the counterpart chairs in the Fund and Bank arrange with one another to ensure that the total attendance per chair does not exceed three persons,⁸ including the observer, with the exception of the office of the Executive Director whose country is on the agenda, which may send one additional person. Also, a Senior Advisor or Advisor from a Bank Executive Director’s office may attend a Fund Board discussion on a country of which he/she is a national, if the Fund Executive Director does not have in his/her office a national of that country.

⁸ Except for Board meetings at which joint Fund/Bank papers are considered, when a larger number of staff from Executive Directors’ offices sometimes attend.

World Bank Staff

42. In 1970, the Executive Board authorized the issuance of a general invitation to the World Bank to send a staff member to attend Fund Board country consultations and use of Fund resources discussions. In recent years, Bank staff attendance has also been extended under Fund-Bank collaboration practices to an increasingly wide range of policy issues. The Chair mentions the presence of World Bank staff at the beginning of the item to which they have been invited.

World Trade Organization (WTO)

43. The 1996 Cooperation Agreement between the Fund and the WTO provides for attendance by the WTO Secretariat as an observer at ordinary meetings on general and regional trade policy issues, including the formulation of Fund policies on trade matters, and discussions of the WEO when there is a significant trade content.⁹ The WTO Secretariat may also be invited as an observer to selected meetings of the Fund's Executive Board and of the Committee on Liaison with the WTO,¹⁰ with prior Board approval (see Section 10.2.). Invitations are extended by SEC for meetings with general or regional trade policy content in line with the above requirement, and have been extended for other meetings of particular common interest to both institutions.

European Central Bank—Observer Status¹¹

44. The provisions of the December 1998 Board decision on observer status for the ECB at meetings of the Fund Board, as updated most recently in January 2010¹² are as follows:

45. The ECB shall be invited to send a representative to meetings of the Executive Board on:

- Euro area policies in the context of Article IV consultations with member countries;
- Fund surveillance under Article IV over the policies of individual euro area members;
- Role of the euro in the international monetary system;
- WEO;
- GFSR; and
- World economic and market developments (WEMD).

⁹ The Cooperation Agreement was approved by the Fund's Executive Board in Decision No. 11381-(96/105), 11/25/96.

¹⁰ Reconstitution of the Committee on Liaison with the WTO was suspended in November 2006 and replaced in 2008 by the Committee on Liaison with the World Bank and Other International Organizations.

¹¹ The Executive Board initially adopted Decision No. 11875-99/1, on 12/21/98 to grant the ECB observer status at selected Board meetings. See also "European Central Bank—Observer Status," EBD/98/135, 12/17/98.

¹² Decision No. 13414-(05/01), adopted December 23, 2004, Decision No. 13612-(05/108), adopted December 22, 2005, Decision No. 13856-(07/1), adopted December 29, 2006, and Decision No. 14517-(10/1), adopted January 5, 2010.

46. In addition, the ECB shall be invited to send a representative to meetings of the Executive Board on agenda items recognized by the ECB and the Fund to be of mutual interest for the performance of their respective mandates. In this regard, the Executive Director that currently represents the European Union (EU) circulates a memorandum to the Executive Board, usually by e-mail, requesting that the ECB representative be allowed to attend the discussion. For meetings on such country items, it is understood that, provided there is no objection from the member concerned, the ECB representatives shall be invited to attend meetings on Article IV consultations with the United States and Japan; Article IV consultations on, and use of Fund resources by, non-euro area member countries of the EU; and to meetings on Fund surveillance over the policies of, and on use of Fund resources by, members that are accession countries to the EU. Standing approval for the ECB to attend meetings on the use of Fund resources for particular countries is granted on a case-by-case basis. The Executive Board will be informed by management, after consultation with the Presidency of the Council of the EU, of any changes in the list of accession countries.

47. At Executive Board Meetings, the representative of the ECB will have the status of observer and, as such, will be able to address the Board with the permission of the Chair on matters within the responsibility of the ECB. The ECB representative may circulate written statements in advance of Board meetings to which the ECB is invited. Such statements may be acknowledged by the Chair to become part of the record of the Board meeting.

48. The Fund shall communicate to the ECB (i) the agenda for all Board meetings and (ii) the documents for the Executive Board meetings to which the ECB has been invited.

49. The ECB has agreed to preserve the confidentiality of all information and documents communicated by the Fund to the ECB, as specified by the Fund, and that any such information and documents shall be solely for the internal use of the ECB.

3.6. Documentation for Board Meetings¹³

50. ~~Key~~ Policy and key administrative papers for formal Board meetings are required to meet a minimum circulation period of four weeks (unless indicated otherwise):

51. Policy and administrative papers for formal Board meetings that are a follow-up to a recently completed formal Board discussion and the analytical chapters of the WEO, the

¹³ The Executive Board approved on July 18, 1997, minimum circulation periods for Executive Board documents (EBD/97/66, Sup. 2, 7/21/97). These were supplemented by understandings reached on January 23, 2003, by the APC concerning principal policy papers, and further clarified on January 14, 2004, as related in a memorandum from the Secretary to department heads. Subsequently, EBD/09/8 (1/27/09) revised the circulation periods contained in EBD/97/66, Sup. 2 by establishing a two-week circulation period for all Article IV documentation. On November 29, 2010, the Executive Board endorsed the proposals in the Report of the Working Group on Committees on Board Practices (EBD/10/173, 11/19/10), which includes measures to strengthen coordination among the Board, management, and the staff in implementing the work program calendar. In response to a request by Executive Directors to lengthen the circulation period for policy papers, a four-week circulation period was implemented in June 2014 (FO/DIS/14/26, 2/24/14) for ~~key~~-policy and key administrative papers to be considered in formal Board meetings.

GFSR and the Fiscal Monitor are required to meet a minimum circulation period of three weeks.

52. The following documents for formal Board meetings are required to meet a minimum circulation period of two weeks:

- Staff reports and background documentation on Article IV consultations.
- Staff reports on use of Fund resources, including requests and reviews.
- Staff reports that combine use of Fund resources with Article IV consultations.
- A small number of papers that appear on a regular basis, including (i) time-sensitive material in the GFSR and Fiscal Monitor; (ii) the overview sections of the WEO and WEMD papers; (iii) preliminary proposals for meetings of the Budget Committee; (iv) papers on the review of the Fund's income position, rate of charge, precautionary balances, and burden sharing; and (v) papers routinely circulated for LOT consideration for which an Executive Director has requested a meeting of the Board (e.g., financial transactions and designation plan, and report on the Fund's liquidity position).¹⁴

53. Background documents for policy papers are expected to adhere to same minimum circulation period as for the main paper.

54. For informal sessions (to engage), where Directors are expected to consult with constituent country authorities, a two-week circulation period is expected for all documents on policy and administrative items.

55. For informal sessions (to brief), where Directors are not expected to consult with constituent authorities, a one-week circulation period is expected for related papers that are issued, barring critical and exceptional cases where the document circulation period may have to be shorter.¹⁵

56. In calculating the minimum circulation period, the days of the informal Board recess, generally two to three weeks in August, remain working days and count toward fulfillment of the circulation period, as Executive Directors' offices are operational during that period.

57. In recent years, papers subsequently issued to the IMFC, including the Managing Director's Global Policy Agenda, have generally been circulated to the Board about one week before the IMFC meeting. It is expected that the Managing Director will hold informal consultations with the Board before issuing the Global Policy Agenda.

¹⁴ Under (v), the minimum circulation period includes the duration of the LOT period, generally five working days.

¹⁵ FO/Dis/12/76, May 16, 2012, p. 6.

Requests for a Waiver of the Circulation Period

58. For country papers, when the minimum circulation period to allow for Board consideration of the paper on the date desired is not met, management or the Executive Director concerned may request a waiver of the minimum circulation period. Such requests should include the reason for the waiver. The Director concerned usually transmits the waiver request to the Secretary, who then communicates the request to other Executive Directors by e-mail, for approval on LOT basis. In February 2002, the APC agreed to a one-business day grace period for the circulation of country papers, in order to reduce recourse to the cumbersome procedure of requesting a waiver for only a minor breach of the minimum circulation period.

Policy Papers: Breaches of the Rule on the Minimum Circulation Period and Rescheduling of Board Discussion

59. In accordance with the understanding reached in the APC in January 2003, if the date of circulation of policy papers breaches the minimum circulation period by more than two days, the Secretary provides a brief explanation in the cover memorandum of the paper of the urgency and rationale for proceeding with the discussion as planned, and the reasons for the delay in circulating the paper. If a policy paper that has already been scheduled for discussion needs to be rescheduled because of a delay in its circulation, a substantive explanation of the reasons for the delay is provided.¹⁶

¹⁶ With the closer monitoring by SEC of the progress of preparation of policy papers, breaches of the rule on the minimum circulation period for such papers have become rare, and this provision is now seldom invoked.

IV. CONDUCT OF EXECUTIVE BOARD MEETINGS¹⁷

4.1. Written and Oral Interventions

60. The Board has traditionally sought to keep its deliberations as interactive and efficient as possible, to promote a high-quality debate and a better understanding of different points of view among Board members, management, and staff. The encouragement of a judicious balance between statements submitted by Executive Directors in advance of the meeting (“gray statements”—see below) and oral interventions during the Board meeting, punctuated by extemporaneous exchanges and give-and-take, has proven most successful in promoting the effectiveness and candor of Board meetings. Nevertheless, the overriding principle is that all Executive Directors must have a full opportunity to express their views in whatever way they feel is appropriate.

Buff Statements

61. Buff Executive Director’s statements are virtually always issued by the Executive Director concerned to introduce a Board discussion on a country in his/her constituency. These statements may supplement factual material in the staff report and contain the views of the Executive Director and/or of the authorities on policy issues. Buff/ED statements should be made available three days prior to the Board meeting. Buff staff statements may be issued by staff on country items to update material in the staff report, and by management and/or staff on policy or other items to focus on key aspects of the issue under discussion. Alternatively, staff may choose to convey new information orally to the Board at the meeting. The written update would normally be preferable if the additional information is lengthy or complex for example, or if it includes significant data. The staff statement, whether written or oral, would normally indicate whether, and how, the new information affects the analysis and conclusions of the staff report.

Gray Statements

62. Gray statements are intended to allow Board members to make their opinions known informally before a Board discussion. They provide a starting point on which other speakers can focus their interventions, and help to avoid repetition. Gray statements are marked “the contents of this document are preliminary and subject to change.”

63. The issuance of gray statements should be guided by the following principles:

- Gray statements should be issued when Directors wish to put emphasis on certain aspects or raise issues that differ from the staff appraisal or recommendations. The non-issuance of a gray statement is seen as supporting the staff appraisal.
- Directors are encouraged to issue joint statements with other like-minded Directors.

¹⁷ Several changes were introduced after the Board’s endorsement of the Report on Board Practices of the Working Group on Committees (FO/DIS/10/223, Rev. 1, 11/16/10).

- Directors should ask factual/technical questions to staff before issuing gray statements so as to concentrate on substance in their statements. Staff's answers to factual/technical questions that may be of interest to all Directors are circulated in writing prior to the meeting. Staff is encouraged to respond to questions thematically by grouping questions under key headings.
64. If issued, gray statements should be short and focused on key issues.
- For country items, gray statements should focus on the key points the Director wishes to raise for discussion, without repeating the staff appraisal.
 - The expected outcome is that only a few key issues are raised collectively from all Directors for discussion in the Board meeting.
 - For policy items, themes identified by the staff may be used as a guideline for organizing the gray.
 - Identifying the main areas of concern to Directors will better ensure that the meeting discussion is centered on issues of interest. It should also allow better follow-up with management and/or the staff and thereby improve Board meetings.
 - Gray statements for both policy and country items need not include conventional expressions, such as preambles and perfunctory expressions of appreciation.
 - The expectation is that gray statements on country items normally would not exceed 1½ pages and those on policy items normally would not exceed 2½ pages.
65. It is also suggested that, in light of the frequency of changes in staffing in Executive Directors' offices, headings of gray statements always include the name of the Executive Director or Alternate Executive Director, even when neither one will be present at the meeting. This is helpful in attributing statements correctly to constituencies.
66. For policy and key administrative items (when the papers were circulated four weeks in advance), Executive Directors should issue their gray statements by 5:00 p.m. three working days ahead of the day of Board meetings. For country and other non-four-week items Executive Directors should issue their gray statements by 5:00 p.m. two working days ahead of the day of Board meetings. This allows for timely preparation for Board meetings and issuance of the main themes in grays and written responses to Directors' technical questions.
67. Gray statements are issued electronically. They are sent by e-mail to Executive Directors and posted on the SEC intranet site in a statement registry, which is organized by agenda item to facilitate reference.¹⁸ Gray statements are also posted on IMF Connect for

¹⁸ A special procedure applies to Strictly Confidential Grays for meetings involving numbered, Strictly Confidential Board documents. In such cases, Grays are circulated via SEC to a highly restricted email group and are not posted to the statement registry.

access by offices of Executive Directors, but they are not available to member authorities via IMF Connect. At the same time, Directors have agreed that the texts of their gray statements can be made available to the authorities of other chairs, as needed, on the understanding that the texts are confidential and should not be shared with the public, and that they set forth preliminary views that may change.

Main Themes in Grays

68. A note reporting main themes in grays is provided to Directors ahead of Board meetings to assist in information sharing, ease preparations for Board meetings, and help focus Board discussions on strategic issues. It should be noted that:

- The note is intended to aid discussion; it is not an official document.
- The note does not include attribution to individual Directors, except in the case of abstentions/objections.
- The note could include the number of Directors holding a specific view prior to the meeting.
- Grays issued after the relevant cut-off time and date (5:00 p.m. three working days ahead of the day of Board meetings for items with a four-week circulation period, and two working days for all other items) may not be~~are not~~ reflected in the note.
- The note is structured to assist the Board's deliberations in meetings by focusing on points of strategic interest to Directors.

For Country Items:

- The note includes a box providing a thematic account of the main issues emphasized by Directors in their grays. This box reflects the main thrust of Directors' comments, including consensus views.
- The note also includes key issues for discussion drawn from the gray statements. This text could help guide the Directors' discussion during the Board meeting.

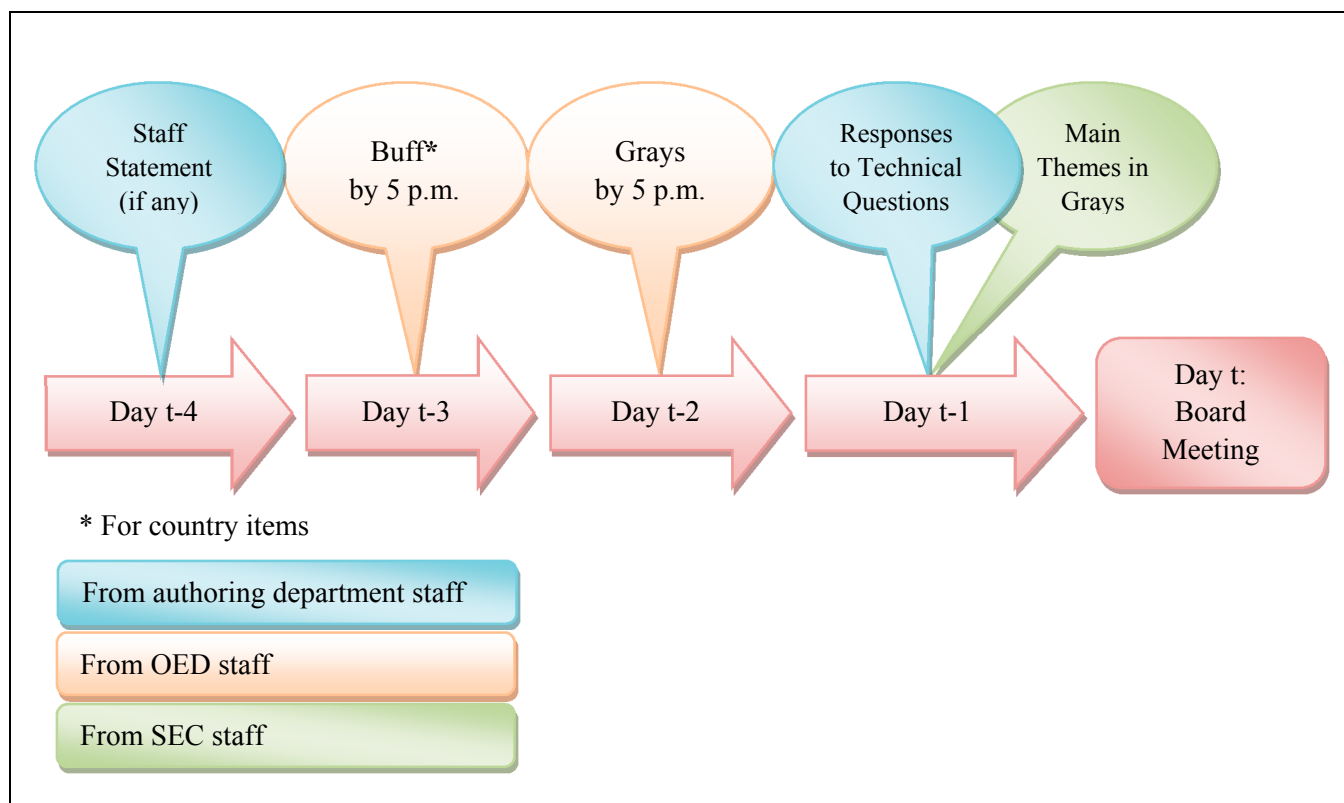
For Policy Items:

- The note includes a first section highlighting emerging views of consensus or near consensus.
- The note also identifies remaining diverging views among Directors and key issues raised in the gray statements.

Timeline for Preparation of a Board Meeting

69. The timeline below illustrates relevant deadlines in working days for the preparation of a Board meeting for country and regular administrative matters:

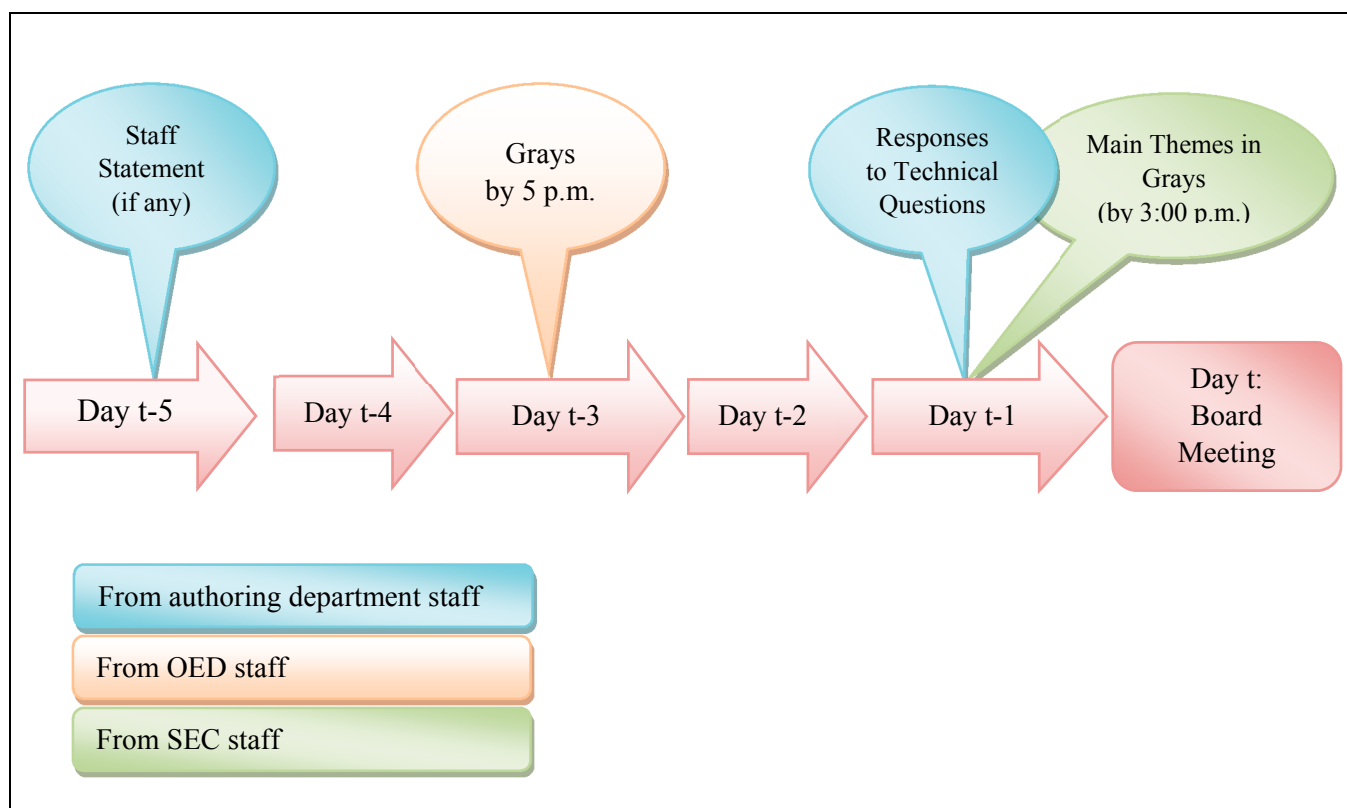
Timeline for Country and ~~Minor~~Regular Administrative Matters



- Staff statement, if any, should be issued four working days before the Board meeting.
- Executive Director's buff statement should be issued by 5 pm three working days before the meeting.
- Executive Directors' grays statements should be issued by 5 pm two working days before the meeting.
- Staff's written responses to technical questions raised by Executive Directors, as well as Main Themes in Grays, are circulated at 5 pm on the working day before the Board meeting.

70. The timeline below illustrates relevant deadlines in working days for the preparation of a Board meeting for policy and key administrative matters that fall under the four-week circulation period:

Timeline for Policy and Key Administrative Matters



- Staff statements, if any, should be issued five working days before the Board meeting.
- Executive Directors' grays statements should be issued by 5 pm three working days before the meeting.
- Staff's written responses to technical questions raised by Executive Directors, as well as Main Themes in Grays, are circulated at 3 pm on the working day before the Board meeting.

Speakers List for Oral Interventions

71. Executive Directors may indicate their intention to speak on items on the agenda in advance of the Board meeting. A speakers list is opened on the SEC intranet site for Board agenda items on a rolling basis two weeks ahead. Executive Directors or their staff may request a particular slot on the speakers' order; slots are allotted on a first-come, first-serve basis. The speakers list also shows which Directors have issued gray statements, and whether the staff intends to make an oral statement. The Chair follows the speakers list in calling on the next speaker to make his/her intervention, while also indicating the following two speakers. If a Director has not placed his/her name on the list in advance, a request to speak

can be given to the Board room receptionist or ~~sent or~~ signaled ~~to the Secretary~~ at the Board meeting.

Choice Between an Oral and a Written Statement

72. An Executive Director is free to choose whether to issue a gray, make an oral statement, do both, or do neither. It is suggested that the choice between an oral and a written intervention should reflect the intended effect of the intervention on the Board, management, and staff, and be consistent with making the most judicious use of the Board's time. Directors who are in agreement with the proposed decisions and/or the staff appraisal, and have no further substantive comment to make, may decide neither to issue a gray nor to make an oral statement. Executive Directors have found the following elements as useful guidance in arriving at a decision on whether to issue a gray or make an oral statement:

- Complicated issues can often be conveyed more effectively in a gray statement;
- Issuing a gray statement at an early juncture before a Board meeting can be particularly useful if the intention is to garner support for a position from other Directors.
- An oral intervention is generally considered most effective when it is short and reflects key points; repetition of points in the staff paper or what previous speakers have said should be avoided.
- Making an oral intervention can be useful in stimulating an impromptu discussion or a more candid debate.

4.2. Conduct of the Board Discussion

73. In the conduct of Board meetings, all Executive Directors have an opportunity to articulate and explain their positions fully on an issue at the outset, in the form of either a gray statement or an oral intervention, which are considered to have equal weight. Such interventions constitute broadly the “first round” of the Board meeting.

74. Board discussion typically starts with an invitation by the Chair to all Directors who have not circulated a gray statement before the meeting to make a statement, if they wish. For a country item, this is preceded by the Chair asking the Executive Director for the country concerned whether he/she has any additional comments. Directors who have issued a gray statement are then invited to speak if they have any substantive points to add. This is generally followed by the staff's responses to the substantive issues raised in grays and oral interventions that have not already been addressed in the staff's written responses to Directors' questions. If the Chair determines it would aid the flow of discussion, the staff could speak first, before the floor is opened to all Directors. The staff could also be called to respond to the Directors after every five to seven speakers. “Two-handed” interventions—where Directors put up both hands to indicate a wish to make a direct and immediate intervention to address an issue immediately at hand—are made as needed.

75. Directors who wish to make substantive remarks to follow up on their gray or initial oral statement are encouraged to do so after all opening statements have been heard and the staff has responded to substantive issues. This is the “second round” of the meeting. Before concluding the meeting with the summing up and/or any decision, in the case of a country item, the Executive Director for the country concerned is offered an opportunity to make closing remarks.

76. Regarding multilateral surveillance discussions, for example on WEMD, one or two first-round speakers can help ensure a logical sequence in the flow of Board discussions. The Chair may decide, where needed, to ask representatives from a few focal countries or regions to intervene first given the significant spillover effects of their monetary and fiscal policies on the global economy and financial markets. Other Directors could then intervene with their own substantive perspective from their constituency’s point of view.

4.3. Guidelines for Interventions in Board Discussions¹⁹

77. Speakers should refrain from describing underlying economic conditions unless they have not been adequately or accurately characterized in the staff report. Similarly, there is rarely a need for a speaker to repeat statistics in the staff report unless the figures are needed to make a point not previously addressed. Directors should abstain from reading out or repeating gray statements and be brief.

78. When Directors require factual information or points of clarification, they should seek to obtain these from the staff prior to the meeting. Staff comments during the meeting should concentrate on major issues arising from Directors’ remarks. The staff should be concise in its initial presentation and follow-up responses to Directors’ queries. If Directors raise factual or technical questions, which should normally be addressed to the staff in advance of the Board meeting, the Chair should encourage the staff to address these bilaterally (i.e., outside the meeting). Individual Directors or the staff may advise all Directors of bilateral exchanges considered to be of general interest.

79. Directors making oral interventions could—when, and if, possible and appropriate—provide copies of their statements to the staff prior to the meeting to facilitate comprehensive and clear responses during the meeting. Such a practice is by no means compulsory and is entirely at the discretion of individual Directors.

80. When a speaker agrees with views previously expressed in grays or in earlier interventions and wishes to make a point “for emphasis,” they should associate themselves with the views of others rather than repeating the argumentation (e.g., “On issue ‘x,’ I concur with staff and/or the views expressed by....”). Where the views expressed in grays or buffs

¹⁹ The guidelines were originally prepared by Executive Directors for their use and circulated by the Secretary in a memorandum to Executive Directors in June 2000, and have been subsequently modified by the Board endorsement of the Report on Board Practices of the Working Group on Committees (FO/DIS/10/223, Rev. 1, 11/16/10) and the Review of the Experience with the Board Practices Reform (FO/DIS/12/76, May 16, 2012). A speaker time indicator system in the Board Room was considered at the June 11, 2009, meeting of the APC (see EB/APC/Mtg/09/2, 7/6/09).

conform to views in the staff report, they should also make use of “association” where appropriate and helpful.

81. To facilitate a speaker’s ability to condense interventions through greater use of “association,” authors of buffs and grays are encouraged to submit their statements as early as possible. As noted in paragraph 65, authors of buffs should make their statements available three days prior to the Board meeting; authors of grays should submit their statements no later than 5:00 p.m. three working days ahead of the day of the relevant Board meeting for policy and key administrative issues under the four-week circulation policy, and no later than 5:00 pm two working days ahead for country and other items not subject to the four-week circulation policy. It is assumed that meeting participants have read all written statements circulated prior to the meeting.

82. Throughout the discussion, the Chair seeks clarification from Directors where necessary. In an effort to facilitate a balanced discussion, the Chair may raise or highlight particular points that will help focus the discussion and assist staff in adequately responding to the issues raised by Directors. The Chair and the staff are expected to share their views with Directors on substantial issues raised during Board meetings.

83. The Chair should be active in handling Board meetings, including by guiding the discussion to remain focused on agenda topics and by encouraging staff and Directors to respect time limits and avoid repetition. To ensure effective management of the discussion flow, staff could be called to respond to Executive Directors after every five to seven speakers.

84. Directors have the right to speak for as long as they consider necessary in their interventions at the Board. At the same time, there is ~~an expectation-presumption~~ that single interventions would last no more than six minutes. In line with this, the Boardroom microphone-activated timer counts down from the six-minute mark. Once the time has reached zero, it will continue to count backwards, indicating a negative number. ~~It is important that this limit be observed.~~ For country items, the concluding statement by the Director for the country concerned is exempt from this expectation.

4.4. Guidelines for Staff Answers at Board Meetings

85. In preparing for the Board meeting, staff will find it useful to read, in addition to the preliminary statements (“grays”) circulated by Executive Directors in advance, the minutes of the previous discussion of the same country or policy issue. Staff should try to anticipate questions that might be asked, and prepare brief answers for use if needed during the discussion. SEC will provide to staff at the table a summary of the main points and questions raised in the grays the day before the meeting.

~~85.—86.~~ Staff should provide written responses to Executive Directors’ factual and technical questions ahead of Board meetings by 5 p.m. on the working day before the meeting, in order to encourage more focused discussion on strategic issues by (i) helping Directors better prepare for the meeting; and (ii) reducing the duration and improving the focus of staff interventions.

~~86.—87.~~ At a Board meeting, staff should endeavor to focus on the principal themes of the staff position that have attracted Board comments, in order to promote a useful discussion. The staff has to decide how much detail to provide, what to respond to in the Boardroom and what to handle afterwards. The staff should limit its commentary to key points and avoid excessively lengthy and detailed answers. Some general guidelines to assist are presented below.

~~87.—In preparing for the Board meeting, staff will find it useful to read, in addition to the preliminary statements (“grays”) circulated by Executive Directors in advance, the minutes of the previous discussion of the same country or policy issue. Staff should try to anticipate questions that might be asked, and prepare brief answers for use if needed during the discussion. SEC will provide to staff at the table a summary of the main points and questions raised in the grays the day before the meeting.~~

88. Staff should not read out a long prepared statement with many facts at the beginning of the meeting—a buff staff statement should be used for updating factual material in the staff report. Buff staff statements should be issued four working days before a Board meeting, unless exceptional circumstances arise, such as critical late-breaking developments. This cut-off aims to give Directors time to consider the content of buff staff statements when preparing their grays.

89. In order to facilitate a balanced discussion in the context of a complex or contentious discussion, the Chair may raise or highlight particular points that will help focus the meeting, and which can assist the staff in identifying sensitive areas and providing more effective responses to the issues raised by Directors.

90. To save the time of management and the Board, answers should be kept brief and precisely directed to the questions asked. For country items, answers should normally not exceed 15 minutes in total; for policy items, answers should normally not exceed 20 minutes in total.

91. As a general rule, when giving answers, staff should address the Chair and/or the Board as a whole; staff should try to avoid referring to individual Executive Directors. Staff should avoid repeating the whole question or an Executive Director’s specific comments—this unnecessarily lengthens the response time. At most, the staff can refer to the question briefly, for example, “In response to the question about interest rates, ...” wherever possible, answers should be grouped around a few key themes—e.g., fiscal policy, interest rates, etc. Staff should refrain from making unsolicited comments on policy or program objectives.

92. Staff should not make statements that convey the impression that staff is representing the member—the Executive Director may communicate the member’s views. The staff may explain why in the staff’s view the program or the authorities’ policies meet—or fall short of—the Fund’s criteria.

93. If an Executive Director’s question is unclear, he/she may be asked to repeat it. If time permits, the staff may want to send a note to an Executive Director asking for clarification of the question. The Chair, or the Secretary, may be able to help the staff

understand a question. Time permitting, the Board operations officer (who sits at a table behind the Chair) is prepared to help in looking at the real-time transcript as it is prepared, and which is available to him or her during the discussion. The staff team back-stopping the staff member at the table can help with answers.

94. The staff should not say that the World Bank staff will answer questions about the Bank. It is the Chair's prerogative to decide whether or not to invite the Bank staff to speak. If staff believes that a particular question would best be answered by the World Bank representative, staff should send a note to the Secretary suggesting that the representative be called on.

95. The Chair (or the Secretary) may pass the staff a note during the meeting, with suggestions or comments about how a question should be handled. This may occur, for example, when the discussion has been difficult or controversial, the objective being to help bring the matter to closure.

96. If the staff wishes to send a note to the Secretary, he or she should ask the messenger to take it—using the “call” button next to the “MIC” button on the microphone panel.

4.5. Welcome/Farewell Procedures for Executive Directors and Alternates

97. In accordance with longstanding tradition, the Chair formally welcomes new Executive Directors and Alternates to the Executive Board, and bids farewell to them upon their departure. If possible, these welcomes and farewells take place, respectively, on the first day the new Executive Director or Alternate participates in a formal Board meeting; and during the last Board meeting in which the Director or Alternate participates. Welcome and farewell remarks are offered by the Chair. Welcome remarks are short, with the purpose of introducing the new Executive Director or Alternate to his/her colleagues, touching briefly on his/her past academic and professional experience. Farewell remarks are somewhat longer and more reflective and personal, focusing on the departing member's contributions to the work of the Fund and any interests or causes that he/she has championed while on the Board. After the Chair has delivered his/her farewell remarks, he/she presents the departing member with a small gift, a token of the Fund's appreciation for his/her contributions to the work of the Board.

98. No statement to the Board is expected by new Directors and Alternates. Departing Executive Directors or Alternates have traditionally wished to make farewell remarks. Time is made available for this purpose. The farewell remarks are circulated to Executive Directors and staff if the Executive Director or Alternate so wishes.

V. EXECUTIVE BOARD DECISION-MAKING

5.1. Decision-Making Process²⁰

99. The Executive Board is authorized to exercise all the powers of the Board of Governors, except those conferred directly by the Articles of Agreement on the Board of Governors.²¹ As a result, the bulk of decisions are taken by the Executive Board. Proposed decisions, where required, are normally incorporated into staff documents and circulated to Directors well in advance of meetings. The Fund has developed a practice that incorporates the provision of legal advice in the decision-making process, by having the prior approval of the legal advisor before circulating a proposed decision.

100. In order for an administrative decision to be valid, three conditions must be met: the decision must be made (i) by a competent organ, (ii) in accordance with the required procedure, and (iii) consistently with the substantive requirements governing the contents of the decision. Between the Board of Governors and the Executive Board, the allocation of powers does not raise particular difficulties, since all the powers that are not explicitly conferred by the Articles on the Board of Governors have been delegated to the Executive Board. Between the Executive Board and the Managing Director, there is a body of decisions and practices on which the delineation of powers can be made, but this body is in constant evolution. With regard to procedural requirements for the Executive Board, there are rules (in particular, the C-Rules) and guidelines on formal voting and ascertainment of the sense of the meeting; requirements on majorities of the votes cast; and different types of formulations for different types of decisions, including summings up (see separate notes on these topics as well as the following paragraph).

101. Summings up are an essential part of the decision making process (see Section 6.1) which, by long tradition, stresses consensus building in the Executive Board. They are a helpful vehicle for recording consensus views, while simultaneously taking account of any significant nuances of views—possibly including even dissent by some chairs—that would be difficult to reflect in a decision. As such, they enhance the record of the Board's agreement. This has proven especially true for summings up of policy discussions, where the nuances of Directors' thinking that lie behind and explain the actual outcome can be laid out.

5.2. Formal Voting and Voting in Relation to the Sense of the Meeting²²

102. Any Executive Director may require that a formal vote be taken on an issue, but this is rather exceptional, reflecting the consensus-building tradition of the Board. Unless an

²⁰ For more detailed information, see "Decision-Making in the International Monetary Fund," by Francois Gianviti, December 28, 1998, which is available on SEC intranet site. Also, for a commentary on the difference between a summing up and a formal decision, see "Statement by the General Counsel on Review of Fund Facilities—'No Amendment' Provisions in Decisions of the Executive Board," BUFF/00/169, 11/15/00.

²¹ The delegation of authority to the Executive Board by the Board of Governors is contained in Section 15 of the By-Laws.

²² This section is based on the paper "Executive Board Voting in Relation to Sense of Meeting and Proposals by the Chairman," EBD/77/255, Sup. 2, 1/24/78.

Executive Director requests a formal vote, the Chair will “ascertain the sense of the meeting,” which is understood as the position supported by Directors having sufficient votes to carry the question if a vote were taken. The sense of the meeting is reflected in the summing up.

Formal Voting

103. If a formal vote is taken, the Chair would ask each chair to state its position (for, against, or abstaining); the Secretary would tally the votes; and the result would be announced to the Board and recorded in the final minutes of the meeting. The Articles of Agreement contain numerous provisions on the majorities required for decisions. The basic rule, established by Article XII, Section 5(c), is that decisions are taken by a majority of the votes cast, with abstentions not counted (for further details, see separate discussion of the legal effects of an Executive Director’s silence in Section 5.3). This rule does not apply, however, if the Articles provide that a particular decision can be adopted only by a special majority, that is, by a different majority than the majority of votes cast.

104. In most cases, there are two types of special majorities, and both are calculated in terms of the total voting power within the Fund: 70 percent and 85 percent.²³ When a special majority of the total voting power is required, an abstention has the same effect as a vote against the proposal. With the Second Amendment of the Articles, the number of decisions requiring special majorities increased considerably; a full list of these is contained in a box at the end of this section. This change made it more difficult to adopt certain types of decisions, as a minority can defeat a proposed decision if it can muster more than 15 or 30 percent of the voting power in the form of negative votes or abstentions.

105. The Chair may, at times, ask Executive Directors to clarify their positions, or ask the Secretary to tally positions, to help him/her ascertain the distribution of views in the Board, and not because a formal vote is being taken.

Voting in Relation to the Sense of the Meeting

106. The practice of ascertaining the sense of the meeting avoids having to count the vote when the outcome is rather clear. Since votes are not formally counted in this situation, the record does not always reflect individual positions of Directors on the proposal, but it is always possible for a Director to ask that his/her particular position (for, against, or abstention) be included in the record. (Moreover, his/her gray statement may also clearly reflect his/her position). At the conclusion of the discussion on a matter under consideration by the Board, the Chair, in accordance with Rule C-10, shall ordinarily ascertain the sense of the meeting instead of submitting the matter to a formal vote.²⁴ However, an Executive Director may call for a formal vote either before or promptly after the Chair has ascertained

²³ Different special majorities are required under the provisions of Article XXVI, Section 2(b), and Article XXVII, Section 1(c).

²⁴ See EB/APC/10/2 on sense of a meeting versus consensus.

the sense of the meeting and the vote may be on the proposed decision or any other related proposals.

Principle of Validity of Decisions

107. Once a decision of the Executive Board is taken, whether by formal vote or by the Chair's ascertainment of the sense of the meeting, and consideration of the issue during the meeting has concluded, it is a final and binding decision; an Executive Director cannot later contest the validity of the decision on the grounds that he was wrongly interpreted by the Chair. An Executive Director may, however, request the reconsideration of an Executive Board decision, and the adoption of a new decision, as an item for the agenda of a future meeting in accordance with the Rules and Regulations of the IMF.

Special Majorities

108. The special majorities and participation required for adoption of decisions by the Board of Governors, the Council when established, and the Executive Board, after the Sixth Amendment, are summarized below. The majorities are shown according to the order in which they appear in the Articles. All other decisions are taken by a majority of the votes cast.

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
III	2 (c)	Adjustment of quotas	85 percent	Board of Governors (except Article III, Section 2(b))
III	3(a),(d)	Prescription of medium of payment for additional subscription	70 percent	Board of Governors
IV	2(c)	Provision for general exchange arrangements	85 percent	
IV	4	Introduction of system of exchange arrangements based on par values	85 percent	
V	7(c)	Changes in period for repurchase	85 percent	
V	7(d)	Adoption of periods for repurchase of holding acquired under special policy on use of Fund's general resources	85 percent	

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
V	7(e)	Adoption of policies on repurchase of holding not acquired as a result of purchases	70 percent	
V	7(g)	Postponement of repurchase beyond maximum period	70 percent	
V	8(a),(d)	Determination of service charge for purchases	70 percent	
V	8(b),(d)	Determination of rates of charge on holding of currencies	70 percent	
V	8(c),(d)	Imposition of charges deemed appropriate on failure to repurchase	70 percent	
V	9(a)	Determination of rate of remuneration	70 percent	
V	9(c)	Increase in percentage of quotas as level for remuneration	70 percent	
V	12(b),(c)	Sale of gold	85 percent	
V	12(b)(d)	Acceptance of gold instead of special drawing rights or currency in payments to Fund	85 percent	
V	12(b)(e)	Sale of gold at present official price	85 percent	
V	12(f)(i)	Transfer of assets of Special Disbursement Account to General Resources Account	70 percent	
V	12 (f)(ii), (iii)	Use of assets of Special Disbursement Account for operations and transactions not authorized by other provisions and for distribution to developing members	85 percent	
V	12(g)	Transfer of proceeds of sale of gold to Investment Account	85 percent	

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
V	12(h)	Adoption of rules and regulations regarding use of a member's currency held in the Special Disbursement Account for investment	70 percent	
V	12(j)	Termination of Special Disbursement Account prior to liquidation of Fund	70 percent	
		Adoption of rules and regulations for administration of Special Disbursement Account	70 percent	
XII	1	Application of Schedule D	85 percent	Board of Governors
XII	3(b)	Increase or decrease in number of elective Executive Directors	85 percent	Board of Governors
		Maintenance of number of elective Executive Directors	85 percent	Board of Governors
XII	6(d)	Distribution from general reserve	70 percent	
XII	6(f)(ii)	Transfer to Investment Account of currencies held in General Resources Account for immediate investment	70 percent	
XII	6(f)(iii)	Adoption of rules and regulations regarding use of a member's currency held in the Investment Account for investment	70 percent	
XII	6(f)(vi)	Termination of Investment Account or reduction of amount of investment prior to liquidation of Fund	70 percent	
XII	8	Publication of report on member's monetary or economic conditions and developments	70 percent	

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
XV	2	Determination of method of valuation of special drawing right other than a change in principle or a fundamental change in application of principle in effect	70 percent	
		Change in principle of valuation or fundamental change in application of principle in effect	85 percent	
XVII	3(i)	Prescription of other holders of special drawing rights	85 percent	
XVIII	2(a), 4(a),(d)	Allocation or cancellation of special drawing rights	85 percent	Board of Governors
XVIII	2(b), 4(a),(d)	Determination of rates at which allocation and cancellation are to be made	85 percent	Board of Governors
XVIII	2(c), 4(a)(d)	Determination of duration of basic period, intervals from allocations or cancellations, and dates as of which quotas and net cumulative allocations are to be basis for allocations or cancellations	85 percent	Board of Governors
XVIII	3, 4(a)(d)	Change in rates or intervals of allocation or cancellation or in length of basic period, or starting new basic period	85 percent (except decrease in rates of allocation)	Board of Governors
XIX	2(c)	Prescription of operations in which participant may engage in agreement with another participant	70 percent	
XIX	6(b)	Adoption, modification, or abrogation of rules for reconstitution	70 percent	
XIX	7(b)	Adoption of policies to authorize participants to agree on exchange rates other than those applicable under Article XIX, Section 7(a)	85 percent	

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
		Authorization of individual participants, under these policies, to agree on exchange rates other than those applicable under Article XIX, Section 7(a)	70 percent	
XX	3	Determination of rate of interest on special drawing rights	70 percent	
XXIII	I	Temporary suspension of operation of certain provisions relating to special drawing rights for not more than one year	85 percent	Executive Board (Council)
XXVI	2(b)	Suspension of voting rights of a member	70 percent	
		Termination of the suspension of voting rights of a member	70 percent	
XXVI	2(c)	Compulsory withdrawal of a member	Majority of Governors having 85 percent	Board of Governors
XXVII	1(a)	Temporary suspension of operation of certain provisions for not more than one year	85 percent	Executive Board (Council)
XXVII	1(b)	Extension of temporary suspension of operation of provisions	85 percent	Board of Governors
XXVII	1(c)	Termination of suspension under Article XXIII, Section 1 or Article XXVII, Section 1(a)	Absolute majority	Executive Board
XXIX	(b)	Overrule of decision of Committee on Interpretation	85 percent	Board of Governors
XXX	(c)(iii)	Exclusion of purchases and holding under policies on use of Fund's general resources for purpose of calculating a member's reserve tranche	85 percent	

Schedule Paragraph

Article	Section	Subject	Special Majorities Proportion of Total Voting Power)	Directly Conferred on
C	5	Adoption of margin or margins for spot exchange transactions	85 percent	
C	8	Objection to termination of par value by member	85 percent	
C	11	Uniform proportionate changes in par values	70 percent	
D	1(a)	Change in number of Associates in Council	85 percent	Board of Governors

5.3. Legal Effects of an Executive Director's Silence²⁵

109. Most Board decisions are adopted by ascertainment of the sense of the meeting by the Chair; a formal vote is uncommon. The Executive Board has defined “sense of the meeting” as a “position supported by Executive Directors having sufficient votes to carry the question if a vote were taken” (EBM No. 173, 5/28/1947). In determining the sense of the meeting, the Chair may, depending upon the context, place different meanings on the silence of an Executive Director. Thus,

- (a) Regardless of the majority required, the Chair may conclude that the sense of the meeting is positive because no objection has been made to a proposed decision.
- (b) In some situations, the Chair may be more tentative, indicating his/her prospective determination unless he/she hears an objection. Thereupon, the Chair may conclude that a decision has been reached.
- (c) In all situations, it is open to an Executive Director to ask the Chair how his/her position has been taken into account in the ascertaining of the sense of the meeting.
- (d) In addition, it is open to an Executive Director to have his/her position recorded in the minutes, and thus, for example, to record an abstention or to elaborate on the assumptions underlying his position.
- (e) An Executive Director can also call for a formal vote on any proposal or issue.

²⁵ See also “Executive Board Work Procedures,” SM/93/18, 1/25/93 and “Report of the Executive Directors’ Working Group on Summings Up,” 2/20/13.

110. The so-called rule of silence is used by the Chair (and the Secretary) in the absence of a formal vote to sharpen the focus of a meeting or facilitate the drafting of a summing up. It is grounded on longstanding practice, but should not be used mechanically, and its judicious and consistent use is required to dispel perceptions of arbitrariness. In this context, the Chair (and the Secretary) interprets an Executive Director's silence as support for the Chair's proposal under discussion. Depending on the context, the Chair's proposal could consist of a proposed decision, a suggested modification to a proposed decision, specific recommendations in the early stages of policy discussions, or the staff appraisal. In particular:

- (a) For meetings in which a formal decision is proposed, the Chair may conclude that the sense of the meeting is positive and the decision is supported if no objection is made.
- (b) For meetings where a staff appraisal or staff recommendations frame the discussion (notably Article IV consultations), silence of a Director is normally interpreted as agreement with the thrust of the staff appraisal or staff recommendations—and so reflected in the summing up.
- (c) For other meetings where no decision is proposed and no staff appraisal or staff recommendations are presented, the rule of silence is not normally applied: a Director's silence on a specific issue is taken to mean that the Director does not take a position on that matter.

111. This practice does not apply to proposals made by individual Executive Directors in the course of a Board meeting or in their grays. Accordingly, an Executive Director's silence is interpreted by the Chair (and the Secretary) as support for the proposal of the Chair and not for the proposals of other Executive Directors. Directors can, of course, always ask the Chair to explain how their silence is taken into account—or to be more explicit about what is or is not supported by silence.²⁶

5.4. Dealing with Misreporting by a Member Country

112. Board decisions authorizing disbursement of Fund resources to member countries are premised on the understanding that the country authorities have provided complete and accurate information to the Fund. Misreporting is the term applied to any situation in which a member provides inaccurate information to the Fund or fails or refuses to provide complete information to the Fund in a timely manner.

²⁶ For example, in the case of a Board meeting on an IEO proposal, silence is interpreted as support for the Chair's recommendation with regard to the proposal.

113. The Fund's legal framework for addressing misreporting is based on two main elements.²⁷ First, the Board has adopted the Misreporting Guidelines,²⁸ including the August 2000 decisions which updated and strengthened both the Guidelines on Corrective Action for Misreporting and Noncomplying Purchases under Fund Arrangements for the General Resources Account (GRA), and the Guidelines for Misreporting under the Poverty Reduction and Growth Facility. These guidelines apply in the context of the use of Fund resources and provide procedures and remedies to address cases in which members obtain, on the basis of inaccurate information concerning applicable conditions, resources that they were not entitled to receive. Second, Article VIII, Section 5 requires members to provide the Fund with information the Fund "deems necessary for its activities."²⁹ This Article applies to the provision of information in connection with the Fund's activities, including Fund surveillance and the use of the Fund's general resources.

114. In 2004, the effectiveness of Article VIII, Section 5 was strengthened by expanding the categories of information that member countries are required to report to the Fund under this Article and by establishing a new framework of procedures and remedial actions to address cases of misreporting which may result in members having breached their obligation under this Article.³⁰ In the context of the use of the Fund's general resources, Article VIII, Section 5 applies to the reporting of information necessary to assess the observance of a performance criterion and other explicitly specified conditions under a Fund arrangement.

115. Whenever evidence comes to the attention of the staff indicating that a member has made a purchase in the GRA or received a disbursement under the ECF that it was not entitled to make under the relevant misreporting guidelines (with a limitation of four years), the Managing Director promptly informs the member concerned. A letter is sent to the authorities and consultations with the member take place. At this early stage, the Executive Board is informed, usually in an informal and restricted session; the staff may issue a written statement outlining the potential problem in advance of the meeting. However, in cases in which the misreporting is judged to be minor ("*de minimis*" cases),³¹ with no impact on program performance, communications with the member may be sent by the Area Department rather than the Managing Director.

²⁷ This section does not discuss the HIPC Misreporting Framework adopted by Decision No. 12696-(02/27), 3/12/02. See "Information Reporting in the Context of HIPC Initiative Assistance—Amendments to the Fund's Legal Framework," EBS/02/36, Sup. 1, 3/4/02. The section also does not discuss misreporting under the Policy Support Instrument (PSI) (see "Policy Support Instrument—Framework," Decision No. 13561-(05/85), adopted on October 5, 2005).

²⁸ See "Strengthening the Application of the Guidelines on Misreporting", EBS/00/121, -Sup. 2, 8/1/00.

²⁹ The information the Fund deems necessary is, at a minimum, the items listed in Article VIII, Section 5, and includes items in Annex A to Executive Board Decision No. 13183-(04/10), adopted on January 30, 2004.

³⁰ See "Strengthening the Effectiveness of Article VIII, Section 5," SM/03/166, 5/5/03; and "Strengthening the Effectiveness of Article VIII, Section 5—Revised Proposed Decision," SM/03/386, Sup. 1, 1/23/04.

³¹ See "Making the Misreporting Policies less Onerous in *De Minimis* Cases—Proposed Decision," EBS/06/86, Sup. 2, 12/13/06.

116. The staff then takes the time needed to verify the existence of the misreporting. If, after consultation with the member, the Managing Director determines that the member did make a noncomplying purchase or receive a noncomplying disbursement, he/she promptly notifies the member of this finding. At the same time, the Managing Director submits a report to the Executive Board together with recommendations. In *de minimis* cases, the Managing Director's report is included whenever possible in a staff report on other matters, such as a program review or Article IV consultation. Directors then discuss the issue in a formal meeting.³² With respect to misreporting under either the GRA or ECF misreporting guidelines, after the Executive Board makes a determination that misreporting has occurred, relevant information is required to be made public in every case, with Board review of the text for publication. However, in *de minimis* cases, the finding of a nonobservance of a performance criterion and the Board's decision to grant a waiver is publicized only in a low-key fashion in the Chair's Statement, press release, or other public statement.³³

117. In cases involving the nonprovision of information or the provision of inaccurate information to the Fund under Article VIII, Section 5, a graduated approach is followed involving, successively, the Managing Director calling upon the member to provide the required information,³⁴ enlisting assistance from the Director concerned, notifying the member of the Managing Director's intention to make a report to the Board, and submitting a report to the Board with recommendations. Within 90 days of the issuance of the Managing Director's report, the Board will consider the report with a view to deciding whether the member has breached its obligations. In *de minimis* cases, the Managing Director's report is included whenever possible in a staff report on another matter, and it recommends that the Fund take no further actions. If a member is found to have breached its obligations under the Articles, it is subject to remedial actions, declaration of censure or the sanctions specified under Article XXVI, except in *de minimis* cases. In cases where the Managing Director concludes that the nonprovision of information or the provision of inaccurate information is due to the member's inability to provide the required information in a timely and accurate fashion, he/she may inform the Board and the Board may call upon the member to strengthen its capacity to provide the required information. All Board decisions arising from a breach of the obligation taken under the procedures described above give rise to a public announcement, except in *de minimis* cases, where the finding of a breach of obligation is not published. Executive Directors have the opportunity to comment on the public statement to be released, to ensure that the publication of information on each reporting episode is appropriately calibrated to the nature and severity of the case.

³² If the Board concurs with staff and management that the incidence of misreporting is minor, a waiver is granted for nonobservance of the reporting requirement.

³³ See the Acting Chair's Summing Up, "Making the Misreporting Policies less Onerous in *De Minimis* Cases," BUFF/06/125, 7/26/06.

³⁴ Where the nonprovision of information is judged to be minor, preliminary communications and consultations may be conducted by the Area Department.

VI. RECORD OF BOARD MEETINGS

6.1. Summing Up

118. A table summarizing Fund policy and practice on issuing summings up, Chair's Statements (discussed in Section 8.3.), and/or Executive Board decisions in the context of the items considered can be seen in a box at the end of this section.

119. Summings up originated in the context of Article IV consultations during the late 1970s. The Board favored a mechanism that would allow its considerations to be captured, primarily for the authorities of the country concerned, in a less formal and more candid manner than a decision. Summings up were progressively extended to cover noncountry items in the 1980s and to use of Fund resources discussions in the late 1990s. In all cases, the overriding objective is to present the Chair's view of the "sense of the meeting." The content and functions vary depending on the type of discussion, but the summing up usually gives a broad overview of the key issues raised, the views and recommendations of Directors, and, in some cases, decisions of the Board.³⁵ In other cases, the summing up provides the context of the decision. The summing up never qualifies or otherwise reduces the force of the decision itself, and in all cases of discrepancies between the text of the summing up and the decision, the latter prevails. Summings up on policy issues identify clearly areas of consensus among Directors and unresolved issues. When summings up note differences of view between the staff appraisal and Directors, or among Directors themselves, they do not attribute views to particular Directors.

120. The Secretary is responsible for checking the accuracy of drafts of summings up carefully both at the time they may be delivered, and again after the Board meeting. All Executive Directors review summings up on noncountry items (including policy items, discussions of the WEO, GFSR, and Fiscal Monitor) before their finalization and the Executive Director for the country concerned reviews the summing up on a country item before its finalization. Ultimate responsibility for the text rests with the Chair, on the advice of the Secretary.

121. Comments and requests for changing a draft summing up must be grounded in the record of the Board meeting (from an operational standpoint, the grays and/or the transcript of interventions). Requests for changes can be accommodated only to the extent that they are consistent with that record—and regardless of the number of Directors supporting them. In this context, it is important to understand that once a Board meeting ends, the record is sealed. The fact that Directors who did not express their views during the Board discussion communicate to the Secretary after a Board meeting their support for a request for changes by another Director does not alter the official record and, therefore, does not add weight to that request for change.³⁶ Furthermore, once the text of a summing up has been through the

³⁵ See "Statement by the General Counsel on Review of Fund Facilities—"Nonamendment" Provisions in Decisions of the Executive Board," BUFF/00/169, 11/15/00 for a discussion of the conditions to be met for an understanding in a summing up to constitute a decision.

³⁶ See "Report of the Executive Directors' Working Group on Summings Up", February 20, 2013.

review process, it is not the practice to go back later to review the records with a view to confirming that the views expressed in the Board have been accurately reflected, or to undertake redrafting.³⁷ The final version of the summing up is incorporated into the Executive Board minutes, which are the official record of the meeting.

Types of Summings Up

122. **The summing up for surveillance discussions**—including Article IV consultations, regional surveillance, and post-program monitoring (PPM)—completes the consultation cycle. It should cover all surveillance issues, including the macroeconomic outlook, and reflect Directors' views on the staff's appraisal of the member's past policies and its expectations and recommendations regarding the future.³⁸

123. **The summing up for use of Fund resources discussions** is intended to provide a vehicle to convey to the authorities Directors' views on specific issues related to a country's program with the Fund. It should focus on the program and be brief. It should give Directors' forward-looking views on key elements of the program required to ensure its success; and may contain dissenting views or critical comments from Directors about the viability of the program. Summings up of this type are circulated internally and not published.

124. **In the case of combined Article IV/use of Fund resources discussions**, [typically] only one summing up is prepared that covers the important points on all the issues. Although in practice rare, a few pointed sentences on use of Fund Resources issues alone may be placed at the end of the standard Article IV summing up if considered necessary. Only the Article IV part is included in the press release. In these cases, a single press release will normally be issued, which will include an introductory section, the Article IV summing up and the Chairman's statement (covering UFR issues). If the Article IV summing up is not available soon after the Board consultation, two separate press releases can be issued referencing each other.

125. **In the case of Article IV consultations incorporating ex post assessments for countries with prolonged use of Fund resources and ex post evaluations of exceptional access**, the Article IV summing up follows the usual format, including Directors' evaluation of past policy performance and lessons for future policy (based on the ex post assessment or evaluation).

126. **In the case of combined Board discussions on several use of Fund Resources issues** (for example on an ECF-supported program, ~~Poverty Reduction Strategy Paper~~

³⁷ In case of a disagreement, an Executive Director has the right to request that the text of the summing up that has been through the review process be reconsidered at a formal Board meeting.

³⁸ A short form summing up for Article IV consultations was designed for cases when there is little or no discussion by Directors on the staff report. The summing up indicates that Executive Directors agreed with the thrust of the staff appraisal and approved the consultation cycle for the country concerned. With the increased use of the lapse of time procedure, the short form summing up is now rarely used.

(PRSP), and HIPC decision point) only one summing up is prepared which covers the important points on all of those issues.

127. **The summing up for noncountry items** generally presents a summary of Directors' views with regard to the issue under discussion, indicating areas on which consensus has been reached and those on which further consideration is required. Discussions on a noncountry item are usually concluded with a summing up even if a formal Board decision on the item has been taken. Summings up are usually not prepared for discussions of proposed decisions on administrative or budgetary issues.

Preparation and Clearance of Summings Up³⁹

128. The initial draft of a summing up is normally prepared before the Board meeting by staff of the area or functional department that has prepared the discussion paper. The draft is submitted to SEC—for pro forma clearance—five working days before the Board meeting for items under the four-week circulation period and four working days before the Board meeting for both country and other matters not subject to the four-week circulation policy), prior to submission to management. The purpose of the review by SEC at this stage is to ensure that the draft is in the correct format and in line with the transparency guidelines. SEC reviews and revises the draft ahead of the Board meeting, in particular to ensure that views in Directors' gray statements are appropriately reflected. The revised draft is provided to the Chair at the meeting. SEC and the Chair further amend the draft as necessary during the meeting to reflect the ongoing discussion. At the end of the discussion, the Chair reads out the draft summing up and gives Executive Directors an opportunity to comment on it.

129. **For country items**, following the Board meeting, the summing up is cleared by staff and reviewed by SEC, and then sent for clearance to the Executive Director concerned. For meetings on surveillance of EU members, the country holding the EU presidency may coordinate clearance of the summing up among all the EU chairs.

130. **For noncountry items**, the Secretary, on the advice of the Chair, reviews the summing up, taking into account the oral comments made at the meeting and the record of the discussion, and circulates an e-mail to Executive Directors indicating that the preliminary summing up would be circulated to Executive Directors for review the following day.⁴⁰ The morning of the following day, the preliminary summing up is sent by e-mail to Executive Directors for comments by close of business of the same day. Executive Directors may send to the Secretary written comments of a material nature. The Executive Director making the comments should copy them to all other Executive Directors. The Secretary then edits the text, as necessary, in keeping with the record of the discussion. The final text is issued under the authority of the Chair.

³⁹ The process of preparation, review, and issuance that applies to non-country summings up also applies to the Chair's Concluding Remarks, which are normally prepared for meetings of the Committee of the Whole on Review of Quotas.

⁴⁰ These procedures were revised in 2007 to reflect suggestions made at an APC meeting (see EB/APC/Mtg/07/1).

131. The one-day period within which written comments may be submitted on the summing up is specified in the e-mail message from the Secretary. This period normally should not coincide with a Board meeting. However, during peak periods, such as prior to meetings of the IMFC, the Secretary may announce in advance that the period for submission of written comments may coincide with a Board meeting.

Summings Up, Press Releases, Chair's Statements, and Decisions for Board Meetings⁴¹

Type of Discussion	Summing Up	Press Release ^{1/}	Chair's Statement	Board Decision
Article IV Consultation	Yes	Yes	No	No ^{2/}
Post Program Monitoring, or Ex Post Assessment of Longer-Term Program Engagement/Ex Post Evaluation of Exceptional Access	Yes	Yes	No	No
Use of Fund Resources	Yes ^{3/}	Yes ^{4/}	Yes ^{4/}	Yes
Combined Article IV Consultation and Use of Fund Resources	Yes ^{5/}	Yes ^{5/}	Yes ^{6/}	Yes
Regional Surveillance	Yes	Yes ^{7/}	No	No
HIPC Initiative	Yes ^{3/}	Yes	Yes	Yes
PRSP, <u>EDD</u> or JSAN <u>8/</u>	Yes ^{3/}	No	Yes	No
Policy Support Instrument	Yes ^{3/}	Yes ^{4/}	Yes	Yes
Procedures related to failure to provide information under Article VIII, Section 5	No	No <u>Yes</u>	Yes ^{8/9/}	Yes
Misreporting under both the GRA and PRGT misreporting guidelines	No	No <u>Yes</u>	Yes ^{9/10/}	Yes
Noncountry Items	Yes	Yes	No	As needed

1/ For country items, if the authorities do not consent to the publication of a press release containing the Chair's Statement or Summing Up, a brief factual statement will be issued instead.

2/ A decision is needed, however, for the Board to approve the retention or extension of exchange restrictions subject to Fund approval under Article VIII or to conclude an annual consultation with a member maintaining exchange restrictions under the transitional arrangements of Article XIV.

3/ Internal summing up only.

4/ No press release or Chair's Statement published on the use of Fund resources may contain a reference to a discussion or decision pertaining to a member's overdue financial obligations to the Fund, unless a press release following a Board decision to limit the member's use of Fund resources because of overdue financial obligations has previously been issued. Furthermore, a Chair's Statement is not published for discussions or decisions pertaining solely to a member's overdue financial obligations to the Fund. Extensions of repurchase expectations may be made public, with the member's consent, in a factual press release (or in the factual section of the press release based on a Chair's Statement if the extension is discussed in a general use of Fund resources Board meeting). If a stand-alone use of Fund resources discussion is concluded on an LOT basis (and therefore there is no Chair's Statement), a factual press release will be issued noting that the decision was taken on an LOT basis.

5/ To the usual summing up of an Article IV consultation an internal portion may be added if considered necessary, specially marked out and appearing at the end. This specially marked portion is not published as part of the press release.

6/ The Chair's Statement relates only to the use of Fund resources, not the Article IV consultation.

7/ The issuance of a press release following discussions of regional surveillance is subject to the agreement of all members of the region.

⁴¹ Based in part on the "Guidance Note on the Fund's Transparency Policy," on the SPR intranet site.

8/ The JSAN and PRSP remain in place for the HPIC, and the PRSP is still valid for the ECF and PSI until end-2015.

89/ Misreporting (except *de minimis* misreporting) under the GRA, PRGT, PSI, breach of obligation under Article VIII, Section 5, and HIPC Trust Instrument misreporting guidelines requires that relevant information be made public in every case by including it in the documents to be published after the Board date, such as a press release containing the Chairman's Statement or summing up, with prior Board review of the text for publication.

In *de minimis* cases, the finding of a breach of obligations is not published.

910/ ~~In~~ Misreporting (except *de minimis* misreporting) under the GRA, PRGT, PSI, breach of obligation under Article VIII, Section 5, and HIPC Trust Instrument misreporting guidelines requires that relevant information be made public in every case by including it in the documents to be published after the Board date, such as a press release containing the Chairman's Statement or summing up, with prior Board review of the text for publication.

In *de minimis* cases, the finding of a nonobservance of a performance criterion and the decision to grant a waiver for misreporting is reflected only in a low-key fashion.

6.2. Qualifiers in the Summing Up

132. Rule C-10 of the IMF's Rules and Regulations provides that the Chair shall ordinarily ascertain the sense of the meeting in lieu of a formal vote. The practical application of this rule has traditionally sought to enhance the consensus-building process in the Board. As part of this process, it is considered useful to record the extent of support for particular positions. Although having no formal authority, the qualifiers (or "code words") were devised and have been generally accepted for this purpose. Whatever their limitations, qualifiers have the merit of being generally understood for purposes of indicating the approximate number of Executive Directors holding various positions.⁴² Of course, the enumeration of Executive Directors' views always has a qualitative element that the Board, its Chair, and the Secretary can hardly ignore. This applies both to the voting majorities that underlie any given enumeration and the strength of views expressed during a discussion. In assessing the use of qualifiers, we should bear in mind not only the number of Executive Directors holding a particular view but also their relative voting power.

133. The convention is that "most" Executive Directors means 15 or more Directors; "many": 10–15 Directors; "a number": 6–9 Directors; "some": 5–6 Directors; and "a few": 2–4 Directors. Naturally, these terms need to be used with special care when a significant number of Directors have not expressed views: in particular, in the context of Article IV discussions, silence is interpreted to mean that the Executive Director who remains silent also supports the staff appraisal or recommendations (see separate note on Legal Effects of Executive Director's Silence). But for other reasons, too, they were never intended to be used mechanically. Indeed, one of their essential and entirely intentional roles is to allow the distribution of Directors' views to be characterized in an approximate rather than specific manner that relies on voting shares so as to facilitate the emergence of a consensus. The principle by which the chair sums up is intended to encourage the development of a common view that as large a majority of Directors as possible can share.

134. Within this conceptual metric, the broad term "Directors" without a qualifier is used to convey that: (i) the required voting majority would be very comfortably satisfied if there were to be a vote; and (ii) all, or almost all, Directors can go along with the majority view in the sense that they would not wish to vote against it. At the same time, the term "Directors" does not imply that every Director has spoken on an issue or has agreed with the view being expressed. Accordingly, the term "Directors" does not necessarily imply unanimous agreement or full consensus.

135. As mentioned above, the Board has traditionally sought to build consensus in its deliberations on issues. In the practice of the Fund, consensus is generally understood to exist when all Directors can go along with the majority view in the sense that they would not wish to vote against it. Finding a consensus has at least two dimensions: one relating to voting power and the other relating simply to the number of Directors (irrespective of their voting power) taking positions, but clearly qualifiers are better suited to the second of these aspects

⁴² A description of the qualifiers is contained at <http://www.imf.org/external/np/sec/misc/qualifiers.htm>

than the first. Qualifiers should be avoided whenever it would convey a misleading impression of the distribution of votes—for example, if “a few” Directors commanded a much larger proportion of votes than a more numerous group of “some” Directors. In such circumstances, it may be convenient to use expressions referring more explicitly to voting power, such as “a [significant] minority of the Board,” and so on, if an indication of the distribution of voting strengths is considered necessary. In some exceptional instances, it may be useful to state that on a given issue “the [required] majority of the Board” took or did not take a certain view. By long tradition, however, references to the distribution of voting strengths are avoided wherever possible, and the more general formulations suggested by the standard qualifiers employed, in order to preserve as much as possible in the summing up the consensus-building character of the Board’s decision-making process.

136. In the interests of transparency, the qualifiers commonly used in summings up were published beginning September 24, 2009, (and revised in May 2010), with a requisite weblink included in all press releases.⁴³ The table below describes the qualifiers most commonly used in summings up. These qualifiers were reviewed and endorsed by the Report of the Executive Directors’ Working Group on Summings Up in February 2013.

Qualifiers Commonly Used in Executive Board Summings Up

Qualifier	Number of Executive Directors
A few	2–4
Some	5–6
A number of	6–9
Many	10–15
Most	15 or more
Significant minority of the Board or, in exceptional cases, required majority or a majority of the Board Directors	Indication of necessary voting strength, particularly useful in cases of special majorities Required voting majority would be very comfortably satisfied if there were to be a vote; and all, or almost all, Directors can go along with the majority view

6.3. Board Decisions and Secretary’s Understandings

139. Following adoption by the Executive Board, individual decisions are assigned a decision number and posted on the Institutional Repository by the Secretary’s Department. In cases where the Board adopts a decision subject to a revision or revisions agreed during the Board discussion, the Secretary’s Department circulates the revised decision to the Board following the Board meeting as a supplement to the main Board paper called a Secretary’s

⁴³ See EB/APC/Mtg/09/2, 7/6/09.

Understanding. This supplement is issued for the records of Executive Board members and it is used after complex policy discussions, like those on quotas, and selected country matters.⁴⁴

6.4. Verbatims and Transcripts of Board Meetings

140. The Rules and Regulations of the Fund, in particular, Rules C-14, C-15, and C-16, prescribe a system that aims at establishing a “summary record” (Rule C-14) of Executive Board meetings. Under Rule C-15, a verbatim record of Executive Board meetings may be kept to assist the Secretary to prepare the summary record. Such verbatim records are to be destroyed after a reasonable period of time; they are to be kept for inclusion in the archives of the Fund only if the Chair or an Executive Director so requests.

141. SEC keeps a verbatim transcript of Executive Board meetings to assist in the preparation of the minutes of the meetings. Transcripts are the written and edited version of the oral verbatim record. Upon request, the Operations Division of SEC provides Executive Directors with access to their own verbatim interventions. Directors also have the option of contacting staff of SEC to clarify points raised during Board meetings, including those by other Executive Directors. The current practice is not to circulate the entire verbatim transcript to all Directors simultaneously, as Directors have expressed a preference for SEC to prepare draft formal minutes based on the verbatim. Executive Directors may, if the need arises, review the entire verbatim transcript for formal unrestricted meetings in the office of the Operations Division and take notes. Copies of the transcript are not made.

6.5. Minutes of Board Meetings

Preparation

142. Minutes of Executive Board meetings are prepared and circulated on an item-by-item basis. Executive Directors have the option of providing a copy of their statements prior to the meeting, or as read out in the meeting, or submitted for the record after the meeting, for insertion, as provided, in the draft minutes. In those cases in which Directors do not submit statements, the verbatim record is used by SEC staff to prepare, in reported speech, draft statements or interventions, which are a full reflection of the substance of the intervention. Alternatively, Executive Directors may lightly edit the oral intervention and present it in the format of a prepared statement. The principle in the preparation of all minutes is that the substance of the discussion, as reflected in the verbatim transcript, is preserved. The

⁴⁴~~There are also rare occasions where a Secretary’s Understanding does not concern a formal Board decision. In these cases, the Secretary’s Understanding is circulated for the records of Executive Directors to reflect certain agreements reached by the Executive Board in their discussions when a Summing Up had not been planned. A Secretary’s Understanding is also sometimes used to record certain agreements reached by the Board in their deliberations in cases where a Summing Up had not been planned and prepared ahead of the Board discussion.~~

objective is to have an accurate and comprehensive text that will remain relevant and understandable over time.

142.—143. A Deputy Managing Director who chairs and a staff member who speaks at a Board meeting are identified in the minutes by name.

Clearance

143.—144. The draft minutes are circulated to the Executive Directors and staff representatives who were seated at the Board table and intervened in the discussion ~~and to Executive Directors~~ for their review and to propose revisions at the same time. The staff representatives may review and propose revisions to revise their own remarks at the discussion, their written answers to technical questions, and the remarks of the Chair (on behalf of Management). Executive Directors may revise only their own remarks. Proposed Revisions are reviewed by SEC and incorporated into the final minutes provided that they are justified based on the record of the meeting.

144.—145. In making revisions to the draft minutes, the staff and Executive Directors may make changes only to the extent of clarifying their remarks and correcting factual errors, without departing in substance from their spoken interventions at the Executive Board meeting.

Finalization

145.—146. The changes to draft minutes suggested by Executive Directors are reviewed by SEC and incorporated into the final minutes. The final minutes, signed by the Secretary, are circulated to Executive Directors for approval on an LOT basis. The LOT period is five working days from the date of circulation of the final minutes. During this period, Directors may request that corrections be made in their own statements and interventions in the final minutes. Such corrections are circulated subsequently.

146.—147. While the intention is for minutes to be finalized promptly, following all clearances, this process is likely to require several weeks.

Access

147.—148. Final minutes of meetings are normally available to Executive Directors and staff. Access to minutes of restricted meetings is more limited. See Section 8.6. for guidelines on declassification and public access of Board minutes under the Open Archives Policy.

VII. LAPSE-OF-TIME (LOT) PROCEDURES

7.1. Executive Board Decisions by LOT⁴⁵

~~148.—149.~~ The Executive Board can take routine decisions without discussion (including completing reviews under an arrangement or concluding an Article IV consultation, provided the criteria are met), that is, on a lapse of time (LOT) basis. In these cases, the Secretary distributes a paper to the Executive Directors, with an explanatory covering note. The proposal for adoption of a decision on an LOT basis contains the proposed decision and, specifies the period at the end of which the decision will be deemed adopted unless an Executive Director requests a meeting. If the decision is adopted, it will be recorded in the minutes of the next meeting thereafter, together with any abstention or objection to the decision, and the name(s) of the Executive Director(s).

~~149.—150.~~ In response to an LOT proposal, Directors must consider two questions: whether they agree with the use of the LOT procedure, and whether they agree with the proposed decision. A positive answer to the two questions raised under the procedure is given by silence during the specified period. If any Executive Director objects to the procedure during the specified period, a meeting will be called, and the second question, which is the adoption of the proposed decision, will be resolved at the meeting. With the exception of papers on the completion of reviews under Fund arrangements and Article IV consultations, papers for approval on an LOT basis are normally given a circulation period of five working days, although this period may be shortened on rare occasions, if necessary.

~~150.—151.~~ The LOT procedure is used for decisions that are expected to be approved without difficulty, with the prime objective of streamlining the workload of the Board. These decisions relate primarily to routine administrative matters and to issues where there has been a prior discussion of the substance of the decision but without a formal text, or when technical changes to the proposed text have to be made. Use has been made of the LOT procedure in recent years for (i) Finance Department papers on the Quarterly Designation Plan, the Quarterly Financial Transactions Plan and the Semi-Annual Reviews of the Fund's Liquidity and Financing items, (ii) for completion of program reviews, in cases where, among other requirements, the member's program was on track and where there did not appear to be general policy issues requiring Board input, (iii) for extensions of arrangements; and (iv) Article IV consultations that meet certain criteria . ~~There is a~~ specific framework for the use of the LOT procedure for the completion of (i) Article IV consultations; and (ii) reviews under Fund-supported programs, including all relevant requirements ~~is~~ described in Sections 7.2. and 7.3.

~~151.—152.~~ Under the procedure for adoption of a decision on an LOT basis, Directors have on occasion requested that their objection or abstention with respect to the decision be recorded, while not asking for a discussion of the issue, and they have been so recorded in the minutes. In some of these cases, the communication containing the objection

⁴⁵ For further reference, see "Decision Making in the International Monetary Fund," by Francois Gianviti, December 1998, and "Recording of Objections and Abstentions in the Context of Lapse of Time Procedures," SM/98/1, 1/5/98.

and/or abstention were circulated to other Board members, but only the objection and/or abstention, without the underlining reasons, was recorded. Whenever an Executive Director abstains from, or objects to, an individual HIPC case approved in principle by the Fund Board pending approval by the Bank Board, the same abstention or objection automatically applies to the LOT decision that is adopted following the Bank Board discussion.

7.2. Completion of Article IV Consultations on an LOT Basis⁴⁶

~~152.~~—~~153.~~ The LOT procedure is expected to be used for the completion of Article IV consultations for countries that meet the relevant eligibility criteria (see below). Its use may be proposed by the Managing Director or the Executive Director for the country concerned.

Eligibility

~~153.~~—~~154.~~ The Managing Director and Executive Directors will base their LOT proposal on the following criteria: (i) there are no acute or significant risks, or general policy issues requiring Board discussion; (ii) policies or circumstances are unlikely to have significant regional or global impact in the near term⁴⁷; (iii) in the event a parallel program review is being completed, it is also being completed on an LOT basis; and (iv) the use of Fund resources is not under discussion or anticipated.

~~154.~~—~~155.~~ The LOT procedure for the completion of an Article IV consultation will not be proposed in circumstances where: (i) the last Article IV consultation was concluded on an LOT basis; (ii) more than 24 months has elapsed since Board discussion of an Article IV consultation; or (iii) the member is on a 24-month consultation cycle and has not been considered by the Executive Board under a program review in the preceding 12 months.

Procedure

~~155.~~—~~156.~~ Proposals to complete Article IV consultations on an LOT basis should follow the following procedures:

(a) *By the Managing Director:* On the basis of the eligibility criteria set forth above, a judgment would be made by the Managing Director on whether a country meets the eligibility criteria. If the criteria are met, the Managing Director, with the approval of the Executive Director for the member concerned, would propose completion of an Article IV

⁴⁶ The LOT procedures approved in October 1996 were repealed by Decision No. 14766-(10/115), 11/29/10. Lapse of Time Procedures for Article IV Consultations, Part A of Decision No. 14766-(10/115), November 25, 2010, as amended by Decision No. 152027-(12/74), July 19, 2012.

⁴⁷ Near term should be understood to mean a time period of one year. In cases where clearly identified significant regional or global impact beyond a one-year period is relevant to the Article IV consultation, a time period exceeding one year may be considered.

consultation on an LOT basis at the time the staff paper is circulated to the Executive Board. The cover memorandum for the circulated staff paper will: (i) include a deadline for Executive Directors to object to a proposal by the Managing Director for lapse of time completion that is consistent with the criteria for objections listed below; (ii) specify the date upon which the decision will become effective if no objection to the proposal for lapse of time is received; (iii) specify a reserved date, consistent with minimum circulation periods for Article IV consultations, for discussion if an Executive Director objects to the proposal for lapse of time consideration; and (iv) explain the reasons why lapse of time completion is warranted. Should the Managing Director judge that a member meets the LOT criteria, but the Executive Director concerned did not approve, the cover memorandum circulating the staff paper will include a notation to this effect;⁴⁸

(b) *By the Executive Director for the Member concerned:* On the basis of the eligibility criteria set forth above, the Executive Director for the member concerned may propose the completion of an Article IV consultation by LOT, no more than two business days after the staff paper is circulated to the Executive Board, and preferably, as soon as possible after its circulation. The cover memorandum for the circulated staff paper will: (i) include a deadline for Executive Directors to object to a proposal by the Executive Director for lapse of time completion that is consistent with the criteria for objections listed below; (ii) specify the date upon which the decision will become effective if no objection to the proposal for lapse of time is received; (iii) specify a reserved date, consistent with minimum circulation periods for Article IV consultations, for discussion if an Executive Director objects to the proposal for lapse of time consideration; and (iv) explain the reasons why lapse of time completion is warranted.

Objections

~~156.~~—~~157.~~_____ The Executive Director for the member concerned or any other Executive Director may call for a Board meeting up to two business days before the end of the LOT period. Directors need not announce the reason for an objection, but would be expected to inform the Executive Director of the relevant country of those reasons.

The last day for an objection to the use of the LOT procedure will be posted on the LOT Registry on SEC's intranet site and on the calendar. If a request is made to include the item on the Board's agenda, a Board date will be set in line with the minimum circulation period.

Date of Completion

~~157.~~—~~158.~~_____ If no objection is received to a proposal for LOT completion of an Article IV consultation, the decision recording the completion of the Article IV consultation will be recorded in the minutes of the next Board meeting with effect from the date of effectiveness stated in the cover note for the circulated staff paper, as described above.

~~158.~~—~~159.~~_____ Where appropriate, the LOT decision will include associated decisions to conclude a consultation under Article XIV, to approve restrictions under Article VIII, or to conclude a review in the context of use of Fund resources.

⁴⁸ As a matter of practice, the Secretary will seek the approval/rejection of the Executive Director in writing.

~~159.~~—~~160.~~ Upon the completion of a consultation on an LOT basis, the Secretary will inform the member that the Board has completed the consultation without a meeting and provide the text of the adopted decision.

~~160.~~—~~161.~~ The reasons given by a Director for proposing the use of the LOT procedure, and any responses of Directors to that proposal and any comments or qualifications expressed by Directors when agreeing with an LOT proposal, will be circulated to all Directors, but would not be made part of the formal record of Board proceedings.

~~161.~~—~~162.~~ When it is proposed that an Article IV consultation be completed on an LOT basis, the Executive Director of the country concerned may issue a statement for the information of the Board to supplement material contained in the staff report. This statement would be distributed in the FO/DIS series, rather than as a buff/ED statement, and not included in the formal record of Board meetings. If requested by the authorities, it could be published as representing the authorities' views alongside the press release. The statement should be issued prior to the time specified for the LOT decision, thereby enabling an Executive Director to request a Board meeting based on the statement, if considered necessary.

7.3. Completion of Reviews Under Fund Arrangements on an LOT Basis⁴⁹

~~162.~~—~~163.~~ Use of the LOT procedure to complete program reviews under Fund arrangements may be proposed by the Managing Director or the Executive Director for the country concerned.

Eligibility

~~163.~~—~~164.~~ Completion of a program review on an LOT basis is presumed where all of the following conditions apply: (i) the relevant arrangement does not involve exceptional access; (ii) the most recent program review under the relevant arrangement was not concluded on an LOT basis; (iii) the relevant review is to be completed under an ECF or an SCF arrangement and does not take place immediately after the completion of an ad-hoc review under an ECF or SCF arrangement pursuant to Section II, paragraph 2(h) of the PRGT instrument; (iv) the review to be completed does not raise general policy issues requiring Board discussion; (v) all prior actions for the review have been met; (vi) the review does not introduce major changes in the objectives or design of the program, including but not limited to, major changes in conditionality for future reviews, the combination of future reviews envisaged under the arrangement, or the rephrasing of disbursements or an augmentation of access other than augmentation of access not exceeding 25 percent of a member's quota approved pursuant to Section II, paragraph 2(h) of the PRGT instrument; and (vii) performance under the member's program does not raise concerns as to whether the review should be completed, in particular as a result of deviations, other than minor

⁴⁹ The Executive Board approved these procedures on August 28, 2009 (see Decision A/13207 and SM/09/213, Sup. 3, 8/31/09, as amended by Decision Nos. 14766-(10/115), November 29, 2010, 15355-(13/32), April 8, 2013, and 15481-(13/103), November 11, 2013

deviations, from the quantitative performance criteria and structural benchmarks. Where these conditions are not met, a program review is not eligible for completion on an LOT basis.

Procedure for Proposing LOT Consideration

~~164.~~—165. Procedures for proposing LOT consideration are as follows:

- (a) *By the Managing Director:* The Managing Director's proposal for completion of a program review on an LOT basis will be made at the time of circulation of the staff paper for the review to the Executive Board, and with the agreement of the Executive Director for the member concerned. The cover memorandum for the circulated staff paper will (i) include a deadline for Executive Directors to object to a proposal by the Managing Director for LOT completion that is consistent with the criteria for objections listed below; (ii) specify the date upon which the decision will become effective if no objection to the proposal for LOT completion is received; (iii) specify a reserved date, consistent with minimum circulation periods for program reviews, for discussion if an Executive Director objects to the proposal for LOT consideration; and (iv) explain the reasons why LOT completion is warranted.
- (b) *By an Executive Director:* An Executive Director may propose the completion of a program review on an LOT no more than two days after the issuance of the staff paper for the program review to the Executive Board, and preferably, as soon as possible after the circulation of the staff paper. An Executive Director's proposal for LOT completion of a program review shall provide the reasons why LOT consideration is warranted. A notification of an Executive Director's proposal for LOT completion of a program review will be issued to the Executive Board that will (i) include a deadline for Executive Directors to object to the proposal for LOT completion that is consistent with the criteria for objections listed below; (ii) specify the date upon which the decision will become effective if no objection to the proposal for LOT completion is received; (iii) specify a reserved date, consistent with minimum circulation periods for program reviews, for discussion if an Executive Director objects to the proposal for LOT consideration; and (iv) set out the reasons presented by the relevant Executive Director as to why LOT completion is warranted.

Objections

~~165.~~—166. An Executive Director may object to a proposal for LOT completion of a program review no later than five business days after the issuance of the staff paper for the program review to the Executive Board, and need not state the reason for such objection. Whenever an Executive Director objects to completion of a program review on an LOT basis, the staff paper for the program review shall be discussed by the Executive Board on the date that has been reserved for discussion, consistent with the minimum circulation guidelines for staff papers for program reviews.

Effective Date of Review

~~166.~~—~~167.~~_____ If no objection is received to a proposal for LOT completion of a program review during the period in which such objections may be made, the proposed decision(s) associated with the program review will be approved with effect on the date of effectiveness stated in the cover note described above.

7.4. Green Statements

~~167.~~—~~168.~~_____ In an LOT context, Directors may, when necessary, express their views about a country's economic policies to the country authorities through SEC. These statements will be conveyed to the authorities via the concerned Director and also copied to other Directors for information. It is understood that by issuing the statement, the Director endorses the staff appraisal and supports the proposed decision(s). To differentiate these statements from grays and buff/ED statements, they will be termed "greens."

~~168.~~—~~169.~~_____ Greens may be used to provide feedback on particular aspects of a country's economic policies; they are not a means for exchanging views with other Directors or for asking questions to staff.

~~169.~~—~~170.~~_____ Greens are circulated to Executive Directors and are -stored in the Institutional Repository shortly after issuance, but are not recorded in the Board minutes.

~~170.~~—~~171.~~_____ Directors may provide any green statement prior to the date of effectiveness of the decision stated on the Secretary's cover note.

~~171.~~—~~172.~~_____ Green statements may be used in both the Article IV and use of Fund resources LOT context. In light of their intended purpose (i.e., not a device for Directors to exchange views, or ask questions to staff—in which case a Board meeting would be the appropriate vehicle), Directors are expected to issue green statements sparingly.

VIII. CONFIDENTIALITY AND TRANSPARENCY OF BOARD PROCEEDINGS

8.1. Treatment of Sensitive Documents

Background

~~172.~~—~~173.~~ Fund staff are guided by the N-Rules and General Administrative Order Number 35, Revision 2, on Information Security (effective November 1, 2007) which sets forth the policies of the Fund on handling all classified documents in the ownership or possession of the Fund, including Executive Board documents. In this regard, every document falls under one of four classifications. Documents approved to be made available inside and outside the Fund without restriction are considered as unclassified. Restricted documents shall be classified under one of three categories: “for official use only,” “confidential” and “strictly confidential”. Documents containing information intended for all staff without restriction, which in some cases may be shared with national officials or other authorized individuals or institutions, are classified “for official use only.” About 90 percent of documents fall into this category. The classification “confidential” applies to documents containing information that is sensitive and should be distributed on a “need to know” basis. The classification “strictly confidential” applies to documents containing information that is very sensitive and whose distribution must be ~~strictly~~ limited on a strict “need to know” basis. Only a very small number of documents fall into this category over the course of a year.

Classification

~~173.~~—~~174.~~ The authoring department or office, in consultation with the Secretary of the Fund, is responsible for the classification of all documents issued to the Executive Board and the Board of Governors and their respective committees in the categories “for official use only” and “confidential.” The determination whether a Board document should be classified as “strictly confidential” is made by the Secretary in consultation with the staff/management and, in the case of a country report, with the Executive Director concerned, based on an assessment of whether the information in the paper is deemed to be particularly sensitive.

Circulation

~~174.~~—~~175.~~ The classification of a document is reflected in its circulation: for a “strictly confidential” document, circulation is greatly restricted. Each Executive Director’s office initially receives a limited number of copies of such documents in sealed envelopes and is required to sign for their receipt. SEC keeps a record of the copies sent to each Executive Director’s office, and each office is expected to maintain a record of the distribution of copies within their offices and to their authorities. Strictly confidential Board documents are also now posted on IMF Connect, with restricted access to ensure document security.

Marking

~~175.—176.~~ In rare cases involving highly sensitive documents, each copy of a “strictly confidential” document may be imprinted with a unique number which appears on each page of the document and each page is marked “strictly confidential.” The numbering of individual copies is used only rarely for documents requiring the utmost confidentiality.

8.2. Publication⁵⁰ of Fund Documents⁵¹

~~176.—177.~~ **Country Documents.** The publication regime for all country documents covered by the Transparency Policy Decision is “voluntary but presumed.” “Voluntary” means that the publication of country documents is subject to the concerned member’s consent. “Presumed” means that the Fund encourages each member to consent to the publication of such documents by the Fund. There is a stronger presumption of publication for papers relating to use of Fund resources and PSI. The Managing Director will generally not recommend the approval of requests for access to resources in the General Resources Account or the PRGT, or Fund resources under the HIPC Trust or assistance through a PSI, or the completion of reviews in such cases, unless the member explicitly consents to the publication of the associated staff report.

~~177.—178.~~ **Fund Policy Documents.** The publication of Fund policy documents requires the approval of the Executive Board. However, it is presumed that policy papers, with few exceptions, will be published. This presumption also applies to Board papers relating to the Fund’s income, financing or budget matters that do not involve market sensitive information. However, papers dealing with other internal administrative matters remain excluded from the presumption.

~~178.—179.~~ **Multi-Country Documents.** The publication of multi-country documents requires the consents of the members concerned, or the approval of the Executive Board, as indicated below.

- For documents that cover multilateral policy issues (e.g., Spillover Reports and the External Sector Report), the Board approves publication and management may approve modifications. The WEO, GFSR, and Fiscal Monitor are included in the same category, but are subject to different rules on modifications.
- For cluster documents, the consent of each member ~~concerned~~~~involved~~ is required for publication.

⁵⁰ “Publication” normally means publication on the Fund’s external website, but may include publication through other media.

⁵¹ This section is based on Executive Board Decision on the Fund’s Transparency Policy, Decision No. 15420-(13/61), adopted June 24, 2013. Non-Board documents, such as SDNs and WPs, are not subject to the transparency policy. Publication guidelines for non-Board documents are set out on pages 61-62 of the guidance note on transparency (SM/14/81, 4/8/2014).

- For country background pages in multi-country documents, members consent only to the pages that relate directly to their country.

Consent to Publication

~~179.~~—~~180.~~_____ A member’s consent to publication is typically obtained on a “non-objection” basis. This means that the documents will be published promptly after the meeting or adoption of the LOT decision unless the member concerned notifies prior to the conclusion of the relevant Board meeting or adoption of the relevant LOT decision⁵² that it:

- objects to publication; or
- requires additional time to decide whether or not to publish; or
- consents to publication but subject to reaching agreement with the Fund on deletions to the document.

~~180.~~—~~181.~~_____ Members that opt for the second or third option above would be expected to indicate their final decision on publication within 28 calendar days of the Executive Board meeting or date of LOT decision. If, after 28 calendar days from the relevant Board consideration, the staff report has not been published, a brief factual statement will be issued stating the fact of the Board’s consideration of the matter and clarifying the authorities’ publication intention with respect to the staff report. Decisions to publish would, however, still be accepted after this date. In these cases, publication will only proceed upon the receipt by the Fund of the member’s explicit consent.

~~181.~~—~~182.~~_____ A member may, however, “opt out” of the above system by notifying the Fund that country documents and related policy intention documents should be published only with its explicit consent. Such a notification should be conveyed in writing and could be transmitted via the member’s Executive Director. The notification will be recorded and maintained by SEC and indicated on the cover of the report when issued to the Board.

~~182.~~—~~183.~~_____ IMF management will also not recommend approval of an arrangement or completion of a review for access under the PRGT or HIPC or the PSI if the member concerned does not explicitly consent to the publication of its Interim Poverty Reduction Strategy Paper (I-PRSP), Poverty Reduction Strategy Paper (PRSP), PRSP preparation status report, ~~or~~ PRSP annual progress report (APR) or Economic Development Document (EDD).

Indicative List of Documents Covered Under the Transparency Policy Decision

~~183.~~—~~184.~~_____ This list is indicative and is not intended to be exhaustive. To the extent that the coverage of any document is not clear, publication will be guided by the overarching principles set forth in the preamble to the Transparency Policy Decision.

⁵² For papers circulated to the Board for information, explicit consent from the member to publish is required.

Country Documents—Surveillance and Combined Documents

- Staff Reports for Article IV consultations and Combined Article IV consultation/Use of Fund Resources Staff Reports, Combined Article IV consultations/PSI, and regional surveillance discussions.
- Selected Issues Papers and Statistical Appendices.
- Reports on Observance of Standards and Codes (ROSCs), Financial System Stability Assessment (FSSA) Reports, and Assessment of Financial Sector Supervision and Regulation (AFSSR) Reports.
- Press Releases following Article IV consultations, regional surveillance discussions, and stand-alone Board consideration of FSSA reports.

Country Documents—Use of Fund Resources Documents

- Joint Fund/World Bank Staff Advisory Notes (JSANs) on Interim Poverty Reduction Strategy Papers (I-PRSPs), Poverty Reduction Strategy Papers (PRSPs), PRSP Preparation Status Reports, and PRSP Annual Progress Reports (APRs).
- Staff Reports for Use of Fund Resources, Post-Program Monitoring, Ex Post Assessment, and Ex Post Evaluation of exceptional access arrangements (excluding staff reports dealing solely with a member's overdue financial obligations to the Fund).
- Press Releases containing a Chairman's Statement for Use of Fund Resources.
- Preliminary, decision point, and completion point documents under the Heavily Indebted Poor Countries Initiative.
- Press Releases following Executive Board discussions on post-program monitoring, ex post assessments or ex post evaluations.
- I-PRSPs, PRSPs, PRSP Preparation Status Reports, ~~and~~ APRs, and EDDs.
- Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs).
- Technical Memoranda of Understanding (TMUs) with policy content.

Country Documents—Staff Monitored Program (SMP) Documents

- LOIs/MEFPs for SMPs.
- Stand-alone Staff Reports on SMPs.

Country Documents—Policy Support Instrument (PSI) Documents

- I-PRSPs, PRSPs, PRSP Preparation Status Reports, and APRs in the context of PSIs.
- Joint Fund/World Bank Staff Advisory Notes (JSANs) on I-PRSPs and PRSPs in the context of PSIs.
- Letters of Intent and Memoranda of Economic and Financial Policies (LOIs/MEFPs) for PSIs.
- Technical Memoranda of Understanding (TMUs) with policy content for PSIs.
- Staff Reports for PSIs.
- Press Releases containing a Chairman's Statement for PSIs.

Country Documents—Statements on Fund Decisions

- Statements on Fund decisions on waivers of applicability, or for nonobservance, of performance criteria, and any other matter as may be decided by the Executive Board from time-to time.
- Statements on Fund decisions on waivers of nonobservance of assessment criteria, and any other matter as may be decided by the Executive Board from time-to-time.

Fund Policy Documents

- Fund Policy Issues Papers.
- Press Releases following Executive Board consideration of policy issues.

Multi-Country Documents

- Multilateral Policy Issues Documents such as, the World Economic Outlook, the Global Financial Stability Report, the Fiscal Monitor, and Spillover Reports.
- Press Releases following Executive Board consideration of Multilateral Policy Issues.
- Country Background Pages.
- Press Releases following Executive Board consideration of Country Background Pages.
- Cluster Documents.
- Press Releases following Executive Board consideration of Cluster Documents.

Right of Member to Comment on Published Staff Reports

~~184.~~—~~185.~~_____ A member country that has agreed to publication of a staff report for an Article IV consultation, a combined Article IV consultation and use of Fund resources staff report, a combined Article IV consultation and PSI staff report, a staff report for regional surveillance discussion, or staff reports on the use of Fund resources, PPM, ex post assessments, ex post evaluation of exceptional access arrangements, an SMP, or a PSI concerning the member, may provide a statement regarding the staff report and the Executive Board’s assessment. The statement is published together with the staff report and a press release summarizing the Board’s -assessment.

~~185.~~—~~186.~~_____

Deletions in ~~Published~~ Country Documents⁵³

~~186.~~—~~187.~~_____ Under the Transparency Policy, a member may request that deletions of certain sensitive material be made in various country documents and country policy intentions documents—such as staff reports, LOIs, MEFPs, and TMUs before publication of these documents. Deletions are limited to highly market-sensitive material (mainly on the outlook for exchange rates, interest rates, the financial sector, and assessments of sovereign liquidity and solvency), and material not in the public domain on a policy that the authorities intend to implement, where premature disclosure of the operational details would seriously undermine the authorities’ ability to implement the policy intentions. Politically sensitive material in itself cannot be deleted unless it also happens to be highly market sensitive, or is not already in the public domain and its disclosure would lead to the premature disclosure of operational details that would risk undermining the implementation of the authorities’ policy intentions.

~~187.~~—~~188.~~_____ Information relating to performance criteria or structural or quantitative benchmarks, or assessment criteria in the context of ~~under~~ a UFR, PSI or SMP, cannot be deleted unless it is of such a character that it could have been communicated to the Fund in a side letter (see Section 8.5. on side letters).

~~189.~~_____ Members are expected to submit any requests for modifications to the Fund no later than two business days before the relevant Board meeting or date of adoption of an LOT decision. Country teams should keep in mind that SEC needs to receive documents by noon the day before any requested issuance, and advise members accordingly.

~~188.~~—~~190.~~_____ Deletion requests are expected to be made ~~two~~² business days before the Board meeting or the date of adoption of a relevant LOT decision. Requests after this time would still be considered, e.g., in cases where the member had indicated, before the conclusion of the relevant Board meeting or adoption of an LOT decision, that it required

⁵³ See Executive Board Decision No. 13564-(05/85), adopted October 5, 2005, as amended, paras. 6–7. See also “Technical Updates to the Transparency Policy Guidance Note,” SM/10/323, 12/27/10.

more time to deliberate on the publication of the document or to agree on deletions. In any case, requests for deletions need to normally be made no later than 7 calendar days after the Executive Board has considered the document, or 21 calendar days after the document was issued to the Executive Board, whichever is later. The amended document, with the accepted deletions redlined, is circulated to the Executive Directors, and the basis for the deletions is explained. In case of disagreement over the eligibility of deletion requests, the matter may be referred to the Executive Board. If the Managing Director determines that deletions would result in a document that would undermine the overall assessment and credibility of the Fund if published, he/she may recommend to the Board that it not be published. For staff reports for Article IV consultation and regional surveillance discussions, if the Managing Director approves deletions requested by a third party, and the member to whom the document relates (“the primary member”) disagrees with the assessment of the Managing Director, the Managing Director, or the ED representing the primary member may refer the matter to the Executive Board.

Corrections to ~~Country Board~~ Documents

~~189.—191.~~ Under the ~~€T~~Transparency ~~pP~~Policy, corrections to country Board documents are limited to correction of (i) data and typographical errors, (ii) factual mistakes, (iii) mischaracterization of views expressed by the authorities concerned, and (iv) evident ambiguity. Requests for corrections are expected to be made no later than two business days before the Board meeting or the date of adoption of a relevant LOT decision. Requests for corrections can be made by the staff on its own initiative, or at the request of country authorities or any ED. Corrections made after Executive Board consideration are limited to (i) cases where the correction is brought to the attention of the Executive Board before the conclusion of the Executive Board's consideration of the document, or (ii) cases where the failure to make the correction would undermine the overall value of publication. Corrections with significant implications for the substance of the document shall be discussed and justified in a ~~supplementary staff report or in a~~ corrections memorandum issued to the Executive Board. Evenhandedness in the implementation of the policy will be monitored more closely, including by issuing an annual table to the Board on all modifications to Board papers that were accepted or rejected.

Policy Documents

~~190.—192.~~ It is presumed that policy documents will be published, unless the Board decides otherwise. The presumption of publication does not apply to papers on internal administrative matters (such as the personnel policies and the Staff Retirement Plan), for which a decision on publication is taken by the Board on a case-by-case basis. A decision whether or not to publish a policy paper will depend, inter alia, on whether the discussion has been completed or, if not, whether informing the public of the state of the discussions would be useful. Staff's recommendation on whether or not the paper shouldwill be published should be indicated in the paper's cover note.

~~191.—193.~~ The staff's proposals in a policy document cannot be modified prior to publication, except for the papers on the WEO, GFSR, and Fiscal Monitor (the published

versions of which reflect the outcome of the Board discussion). To avoid confusion, the differences between the Board's conclusion and the staff's proposals are clearly indicated in the published document.

Timing of Publication

~~192.—194.~~ To help speed up publication, the Fund has defined “prompt publication” as being within 14 calendar days of Board consideration of the document or 28 calendar days after the issuance of the document to the Board, whichever is later. Country authorities and staff are encouraged to publish the relevant country documents within the timeframe, but this is not regarded as a deadline. Staff will strive to publish policy papers even more quickly, normally within seven days of the Board date.

~~193.—195.~~ Most documents cannot be published before Board discussion or the adoption of the relevant LOT decision.⁵⁴ However, some documents circulated to the Board for information only, may be published immediately after their circulation to the Executive Board (i.e., PRSPs, EDDs, Interim Poverty Reduction Strategy Papers (I-PRSPs), PRSPs, Report on the Observance of Standards and Codes, and Assessments of Financial Sector Supervision and Regulation (AFSSR) reports).⁵⁵ ~~Joint Fund/World Bank Staff Advisory Notes (JSANs) circulated for information may be published after the stated period within which an Executive Director may request that the document be placed on the agenda of the Executive Board.~~⁵⁶ ~~PRSPs, JSANs, and ROSCs that are circulated for Board discussion, like most other documents for Board discussion, may not be published until after the relevant Board discussion. Decision No. 14253(09/8), 01/27/2009, as amended, provides that JSANs outside of the enhanced HIPC Initiative context, may be issued for information or for discussion, and there is no LOT procedure for an ED to request a Board meeting. However, just as for any other paper circulated for information, an ED may request a Board meeting to discuss that JSAN.~~

8.3 ~~Press Releases and Chair's Statements~~⁵⁷

~~194.—196.~~ For surveillance items, publication of a press release is voluntary but presumed. However, the Executive Director concerned will have the opportunity to review

⁵⁴ Though Letters of Intent and MEFPs are considered to be the authorities' documents, and legally may be published by the authorities at any time, staff should advise the authorities to refrain from publishing until after the Board has considered them. Premature publication prejudices Board decisions and could create the mistaken impression that the Fund has already approved the member's request. As an alternative, the authorities could issue a summary of the main points of the program after discussion with the mission chief, provided it was made clear that the matter was still only at the staff level and had not been approved by either management or the Board.

⁵⁵ However, SEC usually indicates on the cover that these documents will be posted five working days after their circulation to the Board.

⁵⁶ ~~JSANs for Board discussion, like most documents for Board discussion, may not be published until after Board discussion.~~

⁵⁷ For further reference, see Executive Board Decision on the Fund's Transparency Policy, Decision No. 15420 (13/61) adopted June 24, 2013. ~~“Updated Guidance Note on the Fund's Transparency Policy” SM/14/81.~~

the draft press release prior to its issuance. The press release incorporates the text of the summing up. In principle, the text of the summing up in the press release should be identical to the text circulated to Executive Directors within the Fund, although certain market-sensitive information may be deleted at the request of the Executive Director concerned, in accordance with the Board-approved policy on deletions. The request for a deletion is evaluated by staff and management. The area department coordinates with the Communications Department (COM) with a view to having the press release issued shortly after the Board's consideration. If, after 28 calendar days from the relevant Board consideration, a member does not consent to the publication of a press release pertaining to the Board consideration, a brief factual statement will be issued stating the fact of the Board's consideration of the matter.

~~195.—197.~~ **For noncountry items**, publication of a press release is presumed, although the Board may decide to hold up publication of a press release if the discussion has not yet reached a stage of sufficient development where informing the public would be useful. The press release normally consists of the summing up, preceded by a brief background section putting the issues in context for outside readers. Deletions are governed by the deletions rule of the Transparency Policy.

~~196.—198.~~ **For use of Fund resources items**, a Chair's Statement rather than a summing up is published as part of the press release. The Chair's Statement forms the basis of a press release (see below). The Chair's Statement is not usually read out to the Board, but an Executive Director may request the Chair to do so.

~~197.—199.~~ **Chair's Statements** are intended to inform the public and the markets of the Board's decision on a use of Fund resources program, the Board's overall policy message and guidance to the member, and key points of particular importance to the success of the arrangement. The statements do not attempt to summarize the discussion as a whole, or reflect divergent Board views. They summarize views of the Board, and views are not attributed to individual Directors. The statement is sent to the Executive Director of the country concerned by the Secretary for review before publication within a short time after the Board meeting. The Executive Director may suggest minor revisions to the text and the correction of factual errors. The Secretary then forwards the statement to COM for public release. The intention is to release the Chair's Statement to the media no later than two hours after the end of the Board meeting.

Publication Delays

~~198.—200.~~ **Factual Statements at 28 days.** If a country document has not been published within 28 days of Board consideration, the IMF will issue a factual statement confirming that Board consideration took place and indicating the authorities' publication intentions.

~~199.—201.~~ **Publication of reports issued after 90 days.** To avoid presenting outdated material as new information, delayed reports will not be presented on the "what's new" section of the IMF's external website. In rare cases, management may withhold publication if there is a risk that a report will be seriously misleading.

8.4. Access to Documents Through IMF Connect

~~200.—202.~~ The IMF Connect website is available to all Executive Directors' offices and member country authorities designated by the Executive Director concerned. The site gives the member authorities access to documents relating to Board discussion items. All offices of Executive Directors now use IMF Connect.

~~201.—203.~~ Documents are posted on the site under the relevant agenda item, shortly after issuance to Executive Directors by SEC. Documents for information and documents for LOT approval without meeting are also posted. "Confidential" and "Strictly confidential" documents are generally posted to the site, with access restricted to selected member officials identified by the relevant Executive Director through the use of a SecurID card and password. Some particularly sensitive documents may be posted on the site on a case-by-case basis. Numbered Strictly Confidential documents, which are particularly sensitive, are not posted to IMF Connect.

~~202.—204.~~ Another secure extranet site is used for communicating selected documents to other international organizations, in accordance with arrangements for the exchange of documents with them (refer to Section 8.8. on exchange of documents with other international organizations).

8.5. Side Letters from Country Authorities⁵⁸

Confidentiality

~~203.—205.~~ The existence and content of side letters will be treated with the utmost confidentiality by management, Fund staff, and Executive Directors.

Definition of Side Letters

~~204.—206.~~ A side letter is a letter or other written communication from a member's authorities to Fund management or staff containing confidential policy understandings complementary to, or elaborating upon, those in new or currently applicable LOIs supporting a request for the use of Fund resources.

~~205.—207.~~ Understandings contained in side letters will not contradict or detract from those contained in the applicable LOIs.

Use of Side Letters

~~206.—208.~~ Members requesting the use of Fund resources are encouraged to include all policy undertakings in LOIs. Side letters will be used sparingly and only in those

⁵⁸ This material is based on an Executive Board Decision No. 12067-(99/108), adopted on September 22, 1999, on procedures for side letters in use of Fund resources cases. For further reference, see "Side Letters and the Use of Fund Resources," SM/99/66, 3/10/99, and follow-up papers, SM/99/85, 4/599, and SM/99/163, 7/7/99.

circumstances which the authorities consider, and management agrees, require such exceptional communication.

~~207.~~—~~209.~~ The use of side letters to keep certain understandings confidential can be justified only if their publication would directly undermine the authorities' ability to implement the program or render implementation more costly. Accordingly, their use will normally be limited to cases in which the premature release of the information would cause adverse market reaction or undermine the authorities' efforts to prepare the domestic groundwork for a measure.

~~208.~~—~~210.~~ While there is no presumption that particular kinds of measures would be conveyed in a side letter rather than an LOI, some matters that could in some cases be considered for inclusion in side letters would be: (i) exchange market intervention rules; (ii) bank closures; (iii) contingent fiscal measures; and (iv) measures affecting key prices.

Communication of Side Letters to the Executive Board

~~209.~~—~~211.~~ Fund staff will advise members' authorities of this decision pertaining to the communication of side letters to the Executive Board before the authorities send side letters.

~~210.~~—~~212.~~ The Executive Board will consider any side letter in an informal restricted session prior to the formal meeting on the use of Fund resources by the country concerned. To ensure strict confidentiality, notices of meetings on side letters are distributed in sealed envelopes (marked strictly confidential) addressed to Executive Directors, and signatures are required by each recipient. These meeting notifications will not be included in e-mails announcing the Board Calendar or the starting time of regularly scheduled Board items, and will not be recorded in any document systems. SEC will telephone the offices of Executive Directors to inform them of the precise starting time of the meeting on the side letter. At the session, each Executive Director's constituency will be represented by only one person. A numbered copy of the side letter will be made available to each such representative and, at the end of the meeting, each copy will be returned. The copies will be retained for records purposes in a secure location. Staff will be present to answer any questions, including questions about the circumstances that justified the use of the side letter. No verbatim transcripts or other records of the meetings are produced.

~~211.~~—~~213.~~ In principle, the full text of a side letter will be communicated to the Executive Board. However, at the request of the authorities, the Managing Director may delete from the copies to be communicated to the Board information of such specificity that:

- (i) it is substantially immaterial to Executive Directors' consideration of the request for the use of Fund resources; and
- (ii) disclosure would: (a) seriously hamper the authorities' capacity to conduct economic policy; or (b) confer an unfair market advantage upon persons not authorized to have knowledge of the information.

~~212.—214.~~ Information that might in specific cases be deleted includes: figures regarding foreign exchange markets (e.g., exchange rate intervention triggers or amounts of intervention), names of specific banks or companies, or specific dates for the introduction of certain policy measures.

Communications About Side Letters by Executive Directors to Members' Authorities

~~213.—215.~~ Executive Directors who decide to communicate information about a side letter to their respective authorities should: (i) limit the recipients to those who have a strict need to know; (ii) inform the recipients of the need to treat the information as highly confidential; and (iii) inform the recipients about the procedures that apply to the communication of side letters to the Executive Board under this decision.

~~214.—216.~~ Executive Directors that communicate information about a side letter to their respective authorities will inform promptly the Managing Director and the Executive Director for the member that sent the side letter of such communication.

8.6. Access to the Fund's Archives⁵⁹

~~215.—217.~~ Access by the public to most Fund documents is governed by the Open Archives pPolicy on access to the Fund's archives. The current policy permits access to most Executive Board documents, Executive Board meeting minutes and related meeting documentation⁶⁰, and other (non-Executive Board) documentary materials~~related documentation.~~⁶¹ Outside persons, on request, will be given access to Executive Board documents and minutes of Executive Board meetings that are over 3 years old. However, minutes and related documentation pertaining to use of Fund resources and the PSI are subject to a 5-year rule. ~~while o~~Other (non-Executive Board) documentary materials are subject to a 20-year rule.

~~216.—218.~~ Access to the following categories of documents will not be granted:

- Legal documents and records maintained by LEG that are protected by attorney-client privilege;

⁵⁹ See Executive Board Decision No.14498-(09/126), adopted December 17, 2009, as amended by Decision No. 14766-(10/115) adopted November 29, 2010 and Decision No. 15547-(14/19), adopted February 27, 2014.

⁶⁰ Related meeting documentation includes statements by the Managing Director or Fund staff to the Board in the buff series, formal statements by Executive Directors in the buff/ED series, gray statements, green statements, the agendas and minutes for Executive Board Seminars, the Secretary's Journal of Executive Board minutes for Informal Sessions, Executive Board Committee minutes, and the Weekly Decisions Report (and its predecessors, the Précis and Weekly Précis).

⁶¹ These typically comprise departmental records such as memorandums from heads of departments to the Managing Director, or other internal documentary records.

- Documents furnished to the Fund by external parties, including member countries and their agencies, instrumentalities and central banks that bear confidentiality markings, unless those parties consent to their declassification;
- Personnel files, medical records, or other records pertaining to individuals;
- Documents and proceedings of the Grievance Committee.

~~217.~~—~~219.~~ Under this policy, outside persons, on request, may be given access to Executive Board documents and minutes. Access to Executive Board documents and minutes that are classified as “secret” or “strictly confidential” as of March 17, 2010, will be granted only upon the Managing Director’s consent to their declassification. It is understood that this consent will be granted in all instances but those for which, despite the passage of time, it is determined that the material remains highly confidential or sensitive. Executive Board documents and minutes that are classified as “strictly confidential” after March 17, 2010, will be automatically declassified and made available subject to their respective time periods stated above, unless at the time of their initial classification as strictly confidential, it is specified that the document in question shall not be subject to automatic declassification. If a specification is made that a strictly confidential document or minute shall not be subject to automatic declassification, access will be granted only upon the Managing Director’s consent to its declassification.

~~218.~~—~~220.~~ Responsibility for maintaining the Fund’s archives rests with the Technology and General Services Department (TGS). The archives contain Executive Board documents as well as a large collection of records comprising the internal working papers of the Fund. These include drafts of Board documents, internal memoranda, correspondence, briefing papers, back-to-office reports, technical assistance (TA) reports, and documents dealing with financial relations with member countries.

~~219.~~—~~221.~~ To better support the reference needs of Fund management, staff, and Executive Directors, TGS administers the Institutional Repository, which is an electronic archive of past and current Board documents, updated live via SEC’s document systems. The Institutional Repository enables the efficient search, viewing, and printing of Board documents in PDF format. Most relevant historic Board documents are now also referenced in IMF Connect.

~~220.~~—~~222.~~ In addition to serving the reference needs of Fund staff, the archives honors requests for access by external researchers, including students, university faculty, historians, authors, journalists, staff of other international organizations and nongovernmental institutions, retired Fund staff, and government representatives. External users must arrange for their visit to the archives at least 10 working days in advance, and they are requested to be as specific as possible about their topic of interest, to enable archives staff to prepare as much useful material as possible in advance. The archives reading room is open working days from 9:30 a.m. to 5:00 p.m. Remote electronic access to Fund archives via the public website is also available (imf.org).

~~221.~~—~~223.~~ Researchers sometimes request access to material that falls outside of the relevant access rules. In these cases, depending on the type of document, the approval of

the Executive Board is sought to release the requested material on an item-by-item basis. To offset some of the cost of this time-consuming procedure, the Board has agreed that reasonable charges may be assessed for such requests. However, such charges are waived for government officials of member countries.

8.7. Access to Technical Assistance Reports

Background

~~222.~~—~~224.~~ In the past, TA reports could be made available only to the authorities concerned, the Executive Director of the country concerned, the relevant Fund area department, and in some limited cases to other international institutions such as the World Bank. In May 2008, during the review of TA, the Executive Board agreed that wider dissemination of Fund TA-related information will help reinforce, inter alia, coordination with donors and other TA providers.⁶² Directors took note of management's intention to establish new procedures and agreed with the objectives underpinning the call for wider dissemination, i.e., to facilitate more systematic and effective dissemination of TA information, while safeguarding confidential information and the candidness of Fund advice. The new procedures are contained in the Staff Operational Guidelines on Dissemination of Technical Assistance Information issued in June 2013.⁶³

Access by Fund Staff

~~223.~~—~~225.~~ TA reports classified “for official use only” are accessible to all Fund staff. Reports classified “confidential” are made available to a smaller group of Fund staff, in accordance with the provisions of General Administrative Order No. 35, Rev. 2.

Access by Executive Directors and Their Staff

~~224.~~—~~226.~~ TA reports are made available to the Executive Director for the country of the authorities for whom the TA report was prepared, unless the latter specifically requests otherwise. With respect to other Executive Directors and members of their staff, access to TA reports requires the consent of the TA recipient. . The letter of transmittal of finalized TA reports requests the recipients' consent to make the report available to Executive Directors and their staff within 60 days of transmittal of the report. Consent will be deemed obtained unless the TA recipient objects to such access within 60 days of the transmittal of the report.

⁶² See “Summing Up by the Acting Chair—Enhancing the Impact of Fund Technical Assistance,” BUFF/08/64, 5/20/08.

⁶³ See “Staff Operational Guidelines on Dissemination of Technical Assistance Information,” SM/13/143, 06/10/2013-.

Storage of Reports in the Institutional Repository

~~225.~~—~~227.~~ The Fund’s Institutional Repository is the mechanism for storage and internal dissemination of TA reports. All finalized versions of such reports—except those classified as “strictly confidential” and Financial Sector Assessment Program reports⁶⁴—are forwarded to the repository.

Reclassification of TA Reports

~~226.~~—~~228.~~ Reports classified as “confidential” -are reclassified automatically “for official use only” after two years, unless the authoring department or the relevant area department judges that the sensitivity of information in the report has not sufficiently diminished. Concerned departments will be alerted by TGS when declassification of particular reports is pending.

8.8. Exchange of Documents with Other International Organizations⁶⁵

~~227.~~—~~229.~~ The Fund’s policy on transmittal of documents to other international organizations is designed to facilitate closer cooperation in areas of mutual interest. These arrangements, which have been approved by the Executive Board, cover transmittal on a regular basis to organizations in two categories: (i) organizations authorized to receive documents on common members under individual agreements (World Bank, Organization for Economic Cooperation and Development (OECD), European Commission (EC), WTO, and ECB), and (ii) official organizations that provide, or shortly will provide, substantial financial assistance or TA to Fund members or perform monitoring and advisory functions in respect of macroeconomic and structural policies, and are deemed to have an operational need for the information. SEC canvasses international organizations periodically regarding changes to the list of common members on which organizations wish to receive documents under the Fund’s policy of the transmittal of documents to international organizations. Based on responses, SEC initiates confirmation of their eligibility to receive Fund documents on additional common member countries. Documents classified as “strictly confidential” fall outside of the policy on exchange of documents with other international organizations and are generally not transmitted to other international organizations, with the exception of the WTO and the ECB for meetings they are entitled to attend. Strictly confidential documents may be provided to the WTO in accordance with paragraphs 7, 9, and 11 of the Fund-WTO Cooperation Agreement, subject to the consent of the member concerned.

~~228.~~—~~230.~~ The arrangements for exchange of documents between the Fund and the Bank were formalized in 1970 and have been refined on several occasions in the context of reviews of Fund-Bank collaboration. The exchange of documents with the WTO is in accordance with the Cooperation Agreement between the Fund and the WTO. The arrangements for the exchange of information with the OECD originated in 1953 through an

⁶⁴ Financial Sector Assessment Program reports are excluded owing to the Confidentiality Protocol agreed with the World Bank and the special treatment required of such reports.

⁶⁵ This section is based on the document “Transmittal of Fund Documents to Other International Organizations,” SM/97/69, 2/27/97.

exchange of letters between the Secretary General of the then-Organization for European Economic Cooperation (OEEC) and the Managing Director, followed by an Executive Board decision. Similar arrangements were made with the then-European Economic Community in 1972 and with the ECB in 1998.

~~229.—231.~~ The list of international organizations that meet eligibility criteria for the regular transmittal of documents has expanded considerably in recent years. All additions are put to the Executive Board for approval. The list presently includes the African Development Bank (AfDB), Asian Development Bank (AsDB), Caribbean Development Bank (CDB), Common Market for Eastern and Southern Africa (COMESA), Economic Community of West African States (ECOWAS), European Bank for Reconstruction and Development (EBRD), Commission of the European Communities (CEC), European Investment Bank (EIB), Food and Agricultural Organization (FAO), Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), United Nations Development Programme (UNDP), United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC), West African Economic and Monetary Union (WAEMU), and World Food Program (WFP). Requests from other organizations may be considered on an ad hoc basis.

~~230.—232.~~ The Fund conveys to other international organizations documents on countries that are members of both the Fund and the other international organization, or to which the other organization provides financial assistance or TA. These documents include staff reports for Article IV consultations (including background documents and selected issues papers), and papers on the use of Fund resources, including PRSPs and EDDs, and PRSPs and the JSAN on PRSPs. The background documents for Article IV consultations are made available to a somewhat wider range of organizations. The transmittal of documents to other international organizations is effected by SEC.

~~231.—233.~~ Those international organizations to which the paper is to be conveyed are noted in the Secretary's cover note to the paper. For country documents, the Executive Director concerned has the right to object, within the time limit specified in the cover note, to the transmittal of a document concerning a member of his or her constituency, or to request that corrections be made or confidential information be deleted before the document is sent. The practice of the Fund has been to address requests for corrections and deletions in accordance with the Fund's Transparency Policy.⁶⁶

~~232.—234.~~ Whether or not an international organization is eligible to receive Fund country documents under this policy is initially determined by the area department and the Executive Director(s) for the countries covered in the documents to be conveyed. If eligibility is confirmed, before the organization can begin to receive Fund documents, the Fund must receive assurances from the organization that it will keep the documents confidential, limit their use to that specified in its request, and make available to the Fund on a reciprocal basis comparable documents that the organization prepares.

⁶⁶ See the transparency policy decision, Executive Board Decision No. 13564-(05/85) as amended by Decision No. 14497-(09/126), adopted December 17, 2009.

~~233.~~—~~235.~~ With the exception of the World Bank, which as noted earlier is subject to different, long-standing agreements with the Fund on documents exchange, policy papers are not automatically conveyed to other international organizations. However, policy papers may be conveyed on an ad hoc basis, subject to prior Board approval.

~~234.~~—~~236.~~ Regarding the timing of the conveyance of documents to other international organizations, documents are exchanged with the World Bank at the time of their issuance to the Executive Board. Documents are usually conveyed to the WTO six working days after their issuance to the Fund Board via the secure IFI extranet. Documents for Board meetings which the ECB in its status as an observer is invited to attend, either on an ad hoc or a standing basis, are available to it through the secure extranet at about the same time they are conveyed to Executive Directors. For most other organizations, documents are conveyed immediately following consideration of the documents by the Executive Board. In exceptional cases, a document may be released at a specific date before the Board discussion, such as when early access to it will facilitate the provision of financial assistance or TA to members or a Paris Club rescheduling. In such cases, the Secretary's cover note to the document notifies the Board of the request for early release, and provides a period within which Directors may object to it under the LOT procedure.

IX. EXECUTIVE BOARD GOVERNANCE

9.1. Modalities for Regular Elections of Executive Directors

~~235.—237.~~ It had been the practice, prior to the 2002 Regular Election of Executive Directors, to conduct the election during the Fund's Annual Meetings. A streamlined procedure for nominations and balloting was introduced for the 2002 election, and has since been continued. The rules for each election are developed by an Executive Board Committee on the Rules for the Regular Election of Executive Directors (CREED), which is constituted biannually. These rules typically include the number of Executive Directors to be elected, the maximum and minimum voting shares that an elected Executive Director may hold, and the procedures for the conduct of the election. The CREED's recommendations are considered by the Executive Board, and if approved, submitted as a draft Resolution to the Board of Governors for approval. If the number of elected Executive Directors is greater than 15, an 85 percent majority of the Board of Governors is required to approve the rules for the election (as provided for in Article XII, Section 3(ii) of the Articles of Agreement).

~~236.—238.~~ Under the streamlined procedure adopted since 2002, members may submit nominations of candidates by rapid means of communication to the Secretary in a period determined by the Board of Governors—generally, starting six weeks and ending four weeks before the Annual Meetings, although shorter periods may be adopted if necessary. Each nomination must be made on a Nomination Form furnished by the Secretary, and signed by the Governor (or in his absence, the Alternate Governor) of the member making the nomination.

~~237.—239.~~ Upon closing of the period for the receipt of nominations, a list of nominees is compiled by the Secretary and sent to members by rapid means of communication. Governors are invited to transmit their vote to the Secretary by rapid means of communication, by using the secure Board of Governors online voting system, or in person, in a period determined by the Board of Governors. This period generally starts four weeks before the Annual Meetings and runs through the scheduled first day of the Annual Meetings. When a ballot has been completed,⁶⁷ the ballot forms are counted by the Secretary and the names of the persons elected are announced and communicated to members by rapid means of communication as soon as possible.

~~238.—240.~~ If a nominee withdraws before the end of the election period but after the end of the nomination period, the Secretary informs all Governors eligible to vote of the withdrawal, and invites them to submit nominations by rapid means of communication within a new prescribed period. At the end of that period, the Secretary circulates by rapid means of communication a new list of candidates to all Governors eligible to vote.

⁶⁷ If a second or subsequent round(s) of balloting is necessary, the Secretary announces and communicates the names of the candidates to be voted on in the second (or subsequent) ballots, along with the members whose Governors are entitled to vote, and the timing of the second or subsequent ballots.

~~239.—241.~~ The effective date of the election of Executive Directors is the first day of the month of November following the Regular Election. The two-year term of office of the elected Executive Directors, and of any Executive Director appointed under Article XII, Section 3(c), commences on that date.

9.2. Selection of the Managing Director

~~240.—242.~~ Under the Articles of Agreement, the Executive Board selects the Managing Director, who shall not be a Governor or an Executive Director. The following Board decision, taken on May 20, 2011, outlines the selection process for the Managing Director.

~~241.—243.~~ The successful candidate for the position of Managing Director will have a distinguished record in economic policymaking at senior levels. He or she will have an outstanding professional background, will have demonstrated the managerial and diplomatic skills needed to lead a global institution, and will be a national of any of the Fund's members. As chief of the Fund's staff and as Chairman of the Executive Board, (s)he will be capable of providing strategic vision for the work of a high quality, diverse, and dedicated staff; and will be firmly committed to advancing the goals of the Fund by building consensus on key policy and institutional issues, including through close collaboration with the Executive Board, under whose direction (s)he will fulfill his or her responsibilities. (S)he will have a proven understanding of the Fund and the policy challenges facing the Fund's diverse global membership. (S)he will have a firm commitment to, and an appreciation of, multilateral cooperation and will have a demonstrated capacity to be objective and impartial. (S)he will also be an effective communicator.

~~242.—244.~~ An individual may be nominated for the position of Managing Director by a Fund Governor or an Executive Director. All nominations shall be communicated to the Fund's Secretary, who shall obtain confirmation from each nominee of his or her willingness to be considered as a candidate. The Fund's Secretary shall hold the names of the nominees in confidence until the end of the nomination period.

~~243.—245.~~ At the end of the nomination period, the Secretary shall disclose to the Executive Board the names of those nominees who have confirmed their desire to be candidates. If the number of candidates exceeds three, the Executive Board will keep the names of these nominees in confidence until it has drawn up a shortlist of three candidates, taking into account the above candidate profile without geographical preferences. The shortlisting process will be implemented through indications of which candidates receive the most support among Directors, taking into account the Fund's weighted voting system, with the objective of completing the shortlisting process within seven days following the disclosure to the Board of the candidates. Although the Executive Board may adopt a shortlist by a majority of the votes cast, the objective of the Executive Board is to adopt a shortlist by consensus. The shortlist shall be published by the Fund.

~~244.—246.~~ The Executive Board will meet with the shortlisted candidates (or all of the candidates if there were fewer than four) in Washington, D.C. Thereafter, the Executive Board will meet to discuss the strengths of the candidates and make a selection.

Although the Executive Board may select a Managing Director by a majority of the votes cast, the objective of the Executive Board is to select the Managing Director by consensus.

9.3. Code of Conduct for Members of the Executive Board⁶⁸

~~245.~~—~~247.~~ Executive Directors of the Fund are entrusted by the member countries that have selected them with responsibilities for ensuring that the Fund carries out the mandate prescribed in its Articles of Agreement. The office of Executive Director of the Fund requires personal and professional conduct that meets the highest standards. The Board of Governors has adopted certain resolutions with respect to the conduct of Executive Directors. In addition, Executive Directors have adopted the following Code of Conduct, which is intended to provide guidance on ethical standards in connection with, or having a bearing on, their status and responsibilities in the Fund.

~~246.~~—~~248.~~ The standards set out in this code also apply to Alternate Executive Directors, and Senior Advisors to Executive Directors, who perform their functions under the authority of the Executive Director. However, in lieu of the procedures set forth below concerning the Ethics Committee of the Executive Board, Executive Directors will consider any allegations of misconduct by Alternates and Senior Advisors in their respective offices and will take such measures as are necessary and appropriate in the circumstances.

Application

~~247.~~—~~249.~~ Except with respect to the consideration of alleged misconduct by the Ethics Committee, all references to Executive Directors in this Code shall include Alternates and Senior Advisors unless otherwise indicated. With respect to assistants to Executive Directors, Executive Directors should apply, to the extent possible, the provisions of the Fund Staff Code of Conduct to assistants in their own offices, and should take such measures as are necessary and appropriate. Other persons who are designated as Temporary Alternates shall also be subject to the provisions of this Code on the same basis as Executive Directors.

Basic Standard of Conduct

~~248.~~—~~250.~~ Executive Directors should observe the highest standards of ethical conduct. In the performance of their duties, they are expected to carry out the mandate of the Fund to the best of their ability and judgment, and to maintain the highest standards of integrity. In their conduct outside the workplace, they should also ensure that they observe local laws so as not to be perceived as abusing the privileges and immunities conferred on the Fund and Executive Directors.

⁶⁸ The Executive Board adopted the code of conduct on July 14, 2000. It is also available on the Fund's external website. This section reproduces the text as amended by the Board on December 12, 2003 (see EBD/03/112, 11/26/03).

Conduct Within the Fund

~~249.~~—~~251.~~ Executive Directors should treat their colleagues and the staff with courtesy and respect, without harassment, physical or verbal abuse.

~~250.~~—~~252.~~ Executive Directors should exercise adequate control and supervision over matters for which they are individually responsible.

~~251.~~—~~253.~~ Executive Directors should ensure that Fund property and services are used by themselves and persons in their offices for official business only.

Protection of Confidential Information

~~252.~~—~~254.~~ In line with the rules and guidelines of the Fund, Executive Directors have the responsibility to protect the security of any confidential information provided to, or generated by, the Fund.

Public Statements

~~253.~~—~~255.~~ When making public statements or speaking to the media on Fund-related matters, Executive Directors should make clear whether they are speaking in their own name or on behalf of the Executive Board.

Conflicts of Interest

~~254.~~—~~256.~~ In performing their duties, Executive Directors will carry out their responsibilities to the exclusion of any personal advantage.

~~255.~~—~~257.~~ Executive Directors should avoid any situation involving a conflict, or the appearance of a conflict, between their personal interests and the performance of their official duties. If such a conflict arises, Executive Directors should promptly inform the Ethics Committee and withdraw from participation in decision-making connected with the matter. If the conflict is potential rather than actual, Executive Directors should seek the advice of the Ethics Committee about whether they should recuse themselves from the situation that is creating the conflict or the appearance of conflict.

Personal Financial Affairs

~~256.~~—~~258.~~ Executive Directors should not use, or disclose to others, confidential information to which they have access, for purposes of carrying out private financial transactions. Because of the Fund's role in exchange rate surveillance, Executive Directors should not engage in short-term trading (i.e., a combination of buying and selling within six months) in gold, foreign currencies, and closely related financial instruments, for speculative purposes. For this purpose, the term "combination" does not include one-way transactions, such as the selling or buying of foreign exchange for household expenses, education or travel expenses.

~~257.—259.~~ For purposes of complying with these principles, Executive Directors should follow the guidance provided to the staff.

Disclosures

~~258.—Executive Directors should make written disclosure to a compliance officer selected by the Executive Board of any financial or business interests of their own or their immediate family members. Until the extent and manner of this disclosure are determined by the Executive Board, the rules governing disclosure by the senior staff of the Fund shall apply. The compliance officer shall bring any unresolved concerns regarding a conflict of interest between an Executive Director's holdings and the performance of Fund duties to the attention of the Ethics Committee of the Board.~~

260. Executive Directors, Alternate Executive Directors, and Senior Advisors and Advisors to Executive Directors should make written disclosures of any financial or business interests of their own or their immediate family members via the Financial Disclosure Program (FDP) website, which is facilitated by the Fund's External Compliance Advisor. The reporting period for the FDP is backward-looking, covering the previous calendar year. In 2013, the Executive Board adopted rules that govern financial disclosure for the Board.⁶⁹ The compliance officer shall bring any unresolved concerns regarding a conflict of interest between the holdings of an Executive Director, Alternate Executive Director, or Senior Advisor and Advisors to an Executive Director and the performance of Fund duties to the attention of the Ethics Committee of the Board.

261. Upon separation from Fund service, Executive Directors, Alternate Executive Directors, Senior Advisors and Advisors are required to update any changes in assets, liabilities and transactions, and any change in responsibilities, since their last annual financial disclosure (conducted in May-June of each year). Updated financial disclosure statements should be completed using the Financial Disclosure form and submitted to the Fund Ethics Advisor.

Gifts and Entertainment

~~259.—262.~~ In regard to acceptance of favors, gifts, and entertainment, Executive Directors should exercise tact and judgment to avoid the appearance of improper influence on the performance of their official duties. The ordinary courtesies of international business and diplomacy may be accepted, but substantial and unusual gifts, favors, and entertainment, as well as loans and other services of significant monetary value, should not be accepted.

Post-Fund Employment

~~260.—263.~~ When negotiating for, or entering into an arrangement concerning, prospective employment outside the Fund, Executive Directors should not allow such circumstances to affect the performance of their duties. Where involvement in a Fund matter

⁶⁹ See EBAM/13/6.

could be, or could be perceived as, benefiting the prospective employer, regardless of whether there is detriment to the Fund or their constituents, Executive Directors should recuse themselves.

~~261.—264.~~ Executive Directors who leave the Fund should not use or disclose confidential information known to them by reason of their service with the Fund, and should not contact Executive Directors or other Fund officials (other than through official channels) to obtain confidential information.

The Ethics Committee of the Executive Board

~~262.—265.~~ An Ethics Committee, comprised of five Executive Directors, shall be established by the Executive Board to consider matters relating to this code. In addition, if requested by Executive Directors, the Committee shall give guidance to them on ethical aspects of conduct, including the conduct of their Alternates, Senior Advisors, Advisors, and Assistants.

~~263.—266.~~ The Executive Board shall select a Chairperson, four members, and five alternate members from among Executive Directors. They shall be selected on the occasion of a general election of Executive Directors, and shall serve for two years. If the Chairperson, a member or an alternate member resigns, a new Chairperson, member or alternate member shall be selected by the Executive Board to complete the remainder of the term.

~~264.—267.~~ In the absence of the Chairperson, the Committee member who is the most senior Executive Director in the Board shall serve as acting Chairperson. In the event that a member of the Committee is not able to attend or serves as acting Chairperson, an alternate member shall serve in that member's place in order of seniority of Board membership. If the conduct of a member of the Committee is under consideration by the Committee, that member shall recuse himself/herself and be replaced as provided above.

~~265.—268.~~ The General Counsel of the Fund, or if absent his/her representative, shall be the permanent secretary of the committee. The Ethics Committee may seek the views of the Fund's Ethics Officer ex officio on any matter with which it is dealing.

~~266.—269.~~ The meetings of the Ethics Committee shall be restricted to members only and the permanent secretary of the committee except at the committee's invitation.

~~267.—270.~~ The Ethics Committee shall consider any alleged misconduct by an Executive Director, and any matters brought to its attention by the compliance officer concerning the disclosures made by Executive Directors about any actual or potential conflict of interest. The Executive Director concerned shall, in all cases, be given the opportunity to present his/her views to the committee.

~~268.—271.~~ If a majority of the Ethics Committee concludes that misconduct has been committed, and taking into account both the nature and seriousness of the misconduct and the Executive Director's prior record of conduct, the members of the Committee shall make recommendations to the Committee of the Whole of the Executive Board regarding

whether a warning should be issued to an Executive Director, and whether such warning should be conveyed to the Governor(s) of the member country (or countries) that appointed, elected or designated the Executive Director. If a majority of the Ethics Committee concludes that no misconduct has been committed, the Executive Director concerned shall be so informed and no recommendation shall be made. When convened for this purpose, the Committee of the Whole shall be comprised exclusively of Executive Directors and shall have a quorum equal to one-half the number of Executive Directors.

~~269.~~—~~272.~~ Upon receiving the recommendations of the Ethics Committee, the Committee of the Whole shall consider which of the following actions to take: (i) no further action in the matter; (ii) issuance of a warning to the Executive Director; or (iii) issuance of a warning to the Executive Director and transmittal of the warning to the Governor(s) of the member country (or countries) that appointed, elected or designated the Executive Director. If there is no consensus in the Committee of the Whole as to which action to take, the matter shall be referred to the Executive Board for decision.

~~270.~~—~~273.~~ The Executive Director concerned shall, in all cases, have the opportunity to present his/her views to the Committee of the Whole, but shall not participate in the deliberations on the case.

9.4. Ground Rules for Arranging Staff Contacts with National Authorities⁷⁰

~~271.~~—~~274.~~ Against the background of an intensification of requests for information from the authorities of shareholders, the following are some strengthened guidelines for managing the process of contacts between Fund staff and officials and Executive Directors:

~~272.~~—~~275.~~ In principle, all requests to headquarters-based staff for briefings, information, and other contacts with outside officials should go through the office of the relevant Executive Director. The Executive Director's office should be responsible for ensuring its authorities follow this procedure. In the case of any direct contact, the Executive Director should be informed.

~~273.~~—~~276.~~ Staff should keep the Executive Director for the country concerned informed of all formal communications between the staff and the national authorities. Letters sent to national officials should be copied to the Executive Director concerned.

~~274.~~—~~277.~~ Following any substantive exchange between staff and officials and/or Executive Directors, the immediate office of the relevant Fund department should be debriefed, and any discussions with important policy or operational ramification should be reported to Fund management.

~~275.~~—~~278.~~ Staff should postpone providing any important information (normally requiring management clearance) to officials or Executive Directors until they have first

⁷⁰ This section is based on a memorandum from the First Deputy Managing Director to Department Heads dated March 17, 2000.

brought it to the attention of management. That said, it must be recognized that contacts with officials representing bilateral donors in the field, or visits with such officials by mission chiefs following missions, constitute a useful component of operational work.

~~276.—279.~~ Staff should not provide any information to officials or an Executive Director from a particular country that they would not be willing to share with other Executive Directors.

~~277.—280.~~ In some cases, it may be appropriate to provide a written or oral briefing to a group of, or all, Executive Directors on an issue that has been raised by an individual Executive Director, perhaps at an informal meeting.

~~278.—281.~~ Staff should report to management if contacts with officials or Executive Directors are taking up an inordinate amount of staff time and resources.

9.5. Informal Contacts Among Executive Directors, Management, and the Secretary

~~279.—282.~~ A range of informal channels has traditionally been used by Executive Directors to exchange views, both on current economic policy issues and on administrative and procedural matters, among themselves and with management and senior staff. No formal record of these discussions is kept.

Executive Directors' Retreats

~~280.—283.~~ For many years, Executive Directors have held a retreat lasting one or two days often in a setting outside headquarters, in Washington D.C. or the surrounding area, to discuss current policy issues to which they wish to devote particular attention, as well as the functioning of the Board. Attendance typically includes Executive Directors and Alternate Executive Directors. Management and the Secretary are invited to participate. Directors agree among themselves on timing, location, and attendance.

Informal Luncheon Meetings with the Managing Director

~~281.—284.~~ Periodically, the Managing Director invites Executive Directors to an informal luncheon. These sessions provide an opportunity for informal exchanges of views on current issues. The Managing Director typically indicates in advance the items for discussion. Background documentation is generally not provided.

Executive Directors' Luncheons

~~282.—285.~~ Periodically, the Dean of the Executive Board invites the Executive Directors to an informal luncheon. Members of senior management and the Secretary are also invited. The luncheon discussions provide an opportunity for informal exchanges of views among Directors on a variety of topics chosen flexibly. For example, discussion topics may range from policy issues where such exchange may ultimately contribute to stronger consensus building, to organizational questions such as preparation of and follow-up to an Executive Directors' retreat, a report on Executive Directors' group travel, and collaboration with World Bank Executive Directors. In addition, a head of a department or office may be

invited to provide an informal and personal overview of priorities he/she sees in his/her area of responsibility, and an outside guest may be invited to share his/her perspective from time to time.

Alternate Executive Directors' Luncheons

~~283.—286.~~ Periodically, Alternate Executive Directors hold informal luncheons on a variety of topics. Members of senior management and the Secretary may also be invited. The luncheons provide an opportunity for informal exchanges of views among Alternate Executive Directors. Other guests may also be invited, depending on the topic.

Informal Luncheon and Coffee Meetings with the Secretary

~~284.—287.~~ Normally every second Tuesday of the month the Secretary invites Executive Directors to a luncheon, and normally every week he invites them for coffee. These meetings provide an opportunity for informal exchanges of views on substantive and procedural issues related to Board matters. Typically, the discussion focuses on one or two issues, and sometimes during the lunch, a presentation may be made by a special invitee.

9.6. The IMF's Independent Evaluation Office—Terms of Reference⁷¹

Purpose

~~285.—288.~~ The IEO has been established to systematically conduct objective and independent evaluations on issues, and on the basis of criteria, of relevance to the mandate of the Fund. It is intended to serve as a means to enhance the learning culture within the Fund, strengthen the Fund's external credibility, promote greater understanding of the work of the Fund throughout the membership, and support the Executive Board's institutional governance and oversight responsibilities. The IEO has been designed to complement the review and evaluation work within the Fund and should, therefore, improve the institution's ability to draw lessons from its experience and more quickly integrate improvements into its future work.

Structure and Accountabilities

~~286.—289.~~ The IEO is independent of Fund management and staff and operates at arm's-length from the Fund's Executive Board. Its structure and modalities of operation must protect its operational independence—both actual and perceived. A Director, to be appointed by the Executive Board, will head the IEO. ~~The Director's term of appointment is for a period of four years renewable for a second term of up to three years. The Director will be~~

⁷¹ The Executive Board approved the terms of reference on September 14, 2000. See the document “Executive Board Report to the International Monetary and Financial Committee on the Establishment of the Independent Evaluation Office and its Terms of Reference,” EBAP/00/105, 9/12/00. The terms of reference were amended on February 10, 2014. (See “External Evaluation of the Independent Evaluation Office – Follow-up”, EBAP/14/10, 02/03/14; Decision No. 15440-(14/14) , adopted February 10, 2014). The terms of reference, along with the terms of reference for the Director of the IEO, are also posted on the IMF external website (<http://www.imo-imf.org/imo/pages/IEOPreview.aspx?mappingid=y3p1dhO74YQ%3d&img=i6nZpr3iSlU%3d>).

appointed by the Executive Board for a non-renewable term of six years. In exceptional circumstances, the term may be extended by the Executive Board by no more than one year.

The Director's appointment may be terminated at any time with the approval of the Executive Board. At the end of the term of service, the Director is not eligible for appointment or reappointment to the regular staff of the Fund. The Director is responsible for the selection of IEO personnel (including external consultants) on terms and conditions to be determined by the Board with a view to ensuring that the office is staffed with independent and highly qualified personnel, with the majority of full-time IEO personnel coming from outside the Fund.

Responsibilities

287.—290. The Director of the IEO will be responsible for the preparation of the Work Program. The content of the Work Program should focus on issues of importance to the Fund's membership and of relevance to the mandate of the Fund. It should take into account current institutional priorities, and be prepared in light of consultations with Executive Directors and management, as well as with informed and interested parties outside the Fund. The Director will present the IEO's Work Program to the Executive Board for its review.

288.—291. The IEO, through its Director, will report regularly to the Executive Board, including through the preparation of an Annual Report. It is also expected that the IMFC will receive regular reports on the activities and findings of the IEO.

289.—292. With respect to individual evaluations, staff, management and—when appropriate—the relevant country authorities, will be given an opportunity to comment on the assessments being presented to the Executive Board.

290.—293. The Director of the IEO, in consultation with Executive Directors, will prepare a budget proposal for the IEO for consideration and approval by the Executive Board. Its preparation will be independent of the budgetary process over which management and the Office of Budget and Planning have authority, but its implementation will be subject to the Fund's budgeting and expenditure control procedures. The IEO's budget will be appended to that of the Executive Board within the Fund's Administrative Budget.

291.—294. If requested by the Executive Board, the IEO will provide technical and administrative support for any external evaluations launched directly by the Executive Board.

Consultation, Publication, and External Relations

292.—295. In carrying out its mandate, including in the preparation of its Work Program, the IEO will be free to consult with whomever and whichever groups it deemed necessary, both within and outside the Fund.

293.—296. The IEO will have sole responsibility for drafting IEO evaluations, Annual Reports, press releases and other IEO documents or public statements.

~~294.—297.~~ The IEO's Work Program will be made public and there will be a strong presumption that IEO reports will be published promptly (within the constraints imposed by the need to respect the confidentiality of information provided to the Fund by its members), unless, in exceptional circumstances, the Executive Board were to decide otherwise.

~~295.—298.~~ Publication of evaluations will be accompanied by comments from management, staff, and others, including relevant country authorities, where appropriate, along with the conclusions reached by the Board in considering the evaluation report.

Relations with Fund Staff and Management

~~296.—299.~~ In conducting its work, the IEO should avoid interfering with operational activities, including current programs.

Review of Experience with the IEO

~~297.—300.~~ The Executive Board will periodically, initiate an external evaluation of the IEO to assess its effectiveness and to consider possible improvements to its structure, mandate, operational modalities, or terms of reference. Without prejudging how that review would be conducted, it should be understood that the review would include the solicitation of broad-based input from outside the official community.

9.7. The Spring and Annual Meetings

International Monetary and Financial Committee (IMFC)

~~298.—301.~~ In September 1999, the IMFC replaced the Interim Committee that had been in existence since 1974, as an advisory committee of the Board of Governors on the management and adaptation of the international monetary and financial system. In addition to the name change, it was agreed that preparatory meetings of representatives of committee members (Deputies) may be convened by the IMFC Chairman to discuss issues on which it is considered useful to obtain direct input from capitals. The IMFC, whose 24 members are governors of the Fund, ministers or others of comparable rank, reflects the composition of the Executive Board: each member country that appoints, and each group that elects an Executive Director, appoints a member of the Committee. The Secretary of the Fund is the Secretary of the IMFC.

~~299.—302.~~ The IMFC holds meetings in the spring (often in April) and the fall (often in October).⁷² In practice, a draft of the provisional agenda is prepared by the Managing Director, which is considered by the Executive Board, and subsequently reviewed and approved by the IMFC Chairman. The provisional agenda is then circulated to members

⁷² Board of Governors Resolution No. 54-9 establishing the IMFC, para. 4(a) states: "The Committee shall meet ordinarily *twice* a year. The Chairman may call meetings after consulting the members of the Committee, and shall consult the members of the Committee on calling a meeting if so requested by any member of the Committee. Normally, the Chairman, in consultation with the members of the Committee, will call a preparatory meeting of their representatives ("Deputies")."

of the IMFC. The IMFC formally adopts the agenda as the first item of business at the IMFC plenary meeting.

~~300.—303.~~ Documentation for the agenda items, normally in the form of reports by either the Executive Board or the Managing Director, is circulated to Directors, and posted on the IMFC module of IMF Connect, as early as possible in the days preceding the meetings for comment, preferably before the Deputies' meeting. In addition to the draft agenda and reports prepared for it, the IMFC may also receive documents, including summings up and staff papers that were previously prepared for the Executive Board. A draft communiqué is circulated electronically for comment to Executive Directors and IMFC Deputies a few days prior to the Ministerial Meeting. A revised draft communiqué is discussed, in parallel with the Ministerial Meeting, by a drafting group consisting of Deputies. The final draft communiqué is then considered by the IMFC for adoption toward the end of its meeting.

~~301.—304.~~ The Committee conducts its business in an appropriately balanced mix of formal and informal sessions. Informal sessions with restricted attendance permit a more intimate setting conducive to frank, interactive, and off-the-record exchanges. An Introductory Session, an Early Warning Exercise (EWE), and a restricted breakfast precede the formal plenary session. The EWE and breakfast are unique settings for candid and confidential conversations among principals. The EWE focuses on possible tail risks to the global economy, while the breakfast typically has no agenda and deals with policy challenges and actions that participants consider most pressing.

~~302.—305.~~ The plenary, with attendance of about 300 people, ensures participation of the entire membership in the Committee's deliberations. The proceedings of the plenary (but not the restricted sessions) are recorded in a comprehensive minute, and the draft minute is circulated shortly after the meeting for review by all speakers, normally through Executive Directors' offices, before being finalized and kept in the Institutional Repository.

Development Committee

~~303.—306.~~ The Development Committee (formally called the Joint Ministerial Committee of the Boards of Governors of the Bank and Fund on the Transfer of Real Resources to Developing Countries) was established in October 1974 to advise the Boards of Governors of the Bank and Fund on critical development issues and on the financial resources required to promote economic development in developing countries. Its members are generally ministers of finance or development, although they may also be governors of the Fund or Bank and others of comparable rank. Members of the Development Committee are appointed every two years, and the size and composition of the committee are based on the larger of the Executive Boards of the Bank and the Fund. To the extent the two Boards correspond in size, members are appointed in turn for successive two-year periods by members of the Bank and members of the Fund.⁷³ Each member government of the Bank or

⁷³ See paragraph 1(c) of Resolution No. 29-9, as most recently amended by Resolution No. 67-2. For background, see EBD/12/17 (03/29/2012).

Fund, as the case may be, that appoints or elects an Executive Director, and each group of member governments of the Bank or Fund, as the case may be, that elects an Executive Director appoints one member of the Development Committee and up to seven associates. Currently, the Development Committee has 25 members, based on the size of the World Bank's Executive Board, which is larger than the Fund's 24-member Executive Board.

~~304.—307.~~ The Development Committee usually meets following the meeting of the IMFC. Arrangements for the clearance of the agenda and for participation in meetings are proposed by the Executive Secretary of the Committee, in consultation with the President of the World Bank, the Chairman of the Committee, and the Managing Director. As a matter of practice, the agenda is considered by Fund Executive Directors on a lapse-of-time (LOT) basis, prior to its discussion by the Bank Executive Board.

Joint IMFC and Development Committee Meetings

~~305.—308.~~ From time to time, joint sessions of the IMFC and Development Committee may be held. For example, joint sessions were held during the 2000 Annual Meetings in Prague and during the 2001 Spring Meetings in Washington, D.C., on issues relating to the Poverty Reduction and Growth Facility⁷⁴/Heavily Indebted Poor Countries (ECF/HIPC) initiatives to fight poverty and strengthen growth. Discussions on the proposed agenda were held in the Fund and Bank Executive Boards, to ensure there was no overlap with the agendas of the two individual committees. A draft joint communiqué was circulated to Executive Directors for comments several days before the meeting, and subsequently discussed at a meeting of both Fund and Bank Executive Directors. The draft was then discussed by a drafting group of delegates before consideration and adoption at the joint session of the committees. The Secretary of the IMFC and the Executive Secretary of the Development Committee are joint secretaries of the joint meetings. The latest joint meeting took place at a dinner in April 2005, at which the Secretary General of the United Nations, Mr. Kofi Annan, gave the keynote address on the prospects for achieving the Millennium Development Goals.

Group of 24

~~306.—309.~~ The Group of 24 (officially known as the Intergovernmental Group of 24 on International Monetary Affairs) was formed in 1972. It represents the interests of the developing countries in negotiations on international monetary matters. While this is not an organ of the IMF, SEC provides secretariat services for the Group at both the Ministerial and Deputies levels, whose meetings take place immediately prior to the IMFC/Development Committee Meetings, to enable developing countries to discuss agenda items before the meetings of the two committees. The Group of 24 comprises nine members from Africa, seven members from Asia, and eight members from Latin America.

Annual Meetings of the Board of Governors

⁷⁴ The Extended Credit Facility replaced the Poverty Reduction and Growth Facility in July 2009.

~~307.—310.~~ The Fund's Board of Governors must hold regular meetings at annual intervals unless it decides otherwise. The joint Annual Meetings of the Fund and Bank usually occur in October, immediately preceding the IMFC and Development Committee meetings. The meetings consist of a plenary session at which addresses on the work and policies of the institutions are delivered by the Chairman of the Boards of Governors of the Fund and the Bank, the Fund Managing Director, and the President of the World Bank. Beginning with the 2010 Annual Meetings, a process of ongoing reforms was introduced to modernize and promote greater engagement among stakeholders in the meetings. The meetings' schedule has been compressed and is anchored around a streamlined plenary session, and Governors may opt to have video recordings of their speeches broadcast. Governors may also choose to submit their speeches in writing. The conduct of the routine official business has been streamlined and where possible concluded on an LOT basis.⁷⁵ In addition, an enhanced program of seminars and conferences is available to participants and efforts are made to accommodate various requests for meetings by a wide variety of groups, such as the G-20, G-24, and the Commonwealth. In addition to the formal plenary discussion, the Annual Meetings traditionally provide an opportunity for management and staff to hold bilateral meetings with country delegations, and for contacts among member countries needed for the formation and effective functioning of constituency groups. The meetings also facilitate interactions between the private sector, civil society organizations, academic and research institutions, and the media, and meetings participants, and provide a forum for explaining to the public the tasks, objectives, and activities of the Fund and the Bank.

⁷⁵ For example, the Joint Procedures Committee of the Fund and Bank, comprising selected members of the Boards of Governors, considers and reviews on an LOT basis procedural issues on items of business on the agenda of the Boards of Governors. These items typically include the Fund's Annual Report, Financial Statements, Report on Audit, and Administrative and Capital Budgets, and if necessary, proposed amendments to the By-Laws, Rules and Regulations.

X. EXECUTIVE BOARD COMMITTEES

10.1. Constitution of Board Committees⁷⁶

308. Article XII, Section 2 (j) indicates that the Board of Governors and the Executive Board may appoint such committees as they deem advisable. There are currently seven standing committees and five ad hoc committees. Their general purpose is to examine the issues under their purview in greater detail and forward to the full Board those matters requiring further discussion. Board committees are not decision-making bodies; only the full Board has decision-making authority. By rule C-11, there is no formal voting in committees and sub-committees. The Chairman of the committee or subcommittee determines the sense of the meeting (including alternative points of views, which shall be reported).⁷⁷

309. By tradition, Board standing committees are reconstituted by decisions of the Executive Board following the regular two-yearly election of Executive Directors, on the basis of a proposal by the Managing Director following consultation with the Dean. Several longstanding principles have guided the proposals for constituting the membership of Board committees: the desirability of a reasonable geographical balance in the composition of each committee; a need for rotation, with some continuity; and maintenance of a reasonable distribution of the burden of committee work among Executive Directors. There are formal requirements for some committees concerning the number of members. In addition, all Executive Directors are canvassed proactively for expressions of interest in committee service and the Dean consults proactively with committee chairs in this regard as well.⁷⁸ SEC consults with the Dean of the Board informally regarding membership of committees prior to the issuance of a proposal from the Managing Director.⁷⁹

310. When an Executive Director (appointed or elected) leaves the Board at a time other than the occasion of a regular election, his/her successor is proposed in consultation with the Dean of the Board, and in light of the same considerations that apply to the appointments to

⁷⁶ This section is based on the document “Reconstitution of Executive Board Committees,” EBD/15/3, 1/16/15. A paper proposing the reconstitution of committees is issued every two years following the Regular Election of Executive Directors. Committee membership may change in between elections with changes in Board membership as well—for an example, see Executive Board Committees-Nominations, EBD/11/15,3/23/11. For an updated list of the composition of Board committees, see: <http://www-int.imf.org/depts/sec/services/eb/committeesfull.htm>; also posted on IMF Connect.

⁷⁷ Rule C-11.

⁷⁸ See EBD/11/3, p. 1, para. 1.

⁷⁹ In its report of December 3, 2007, the Working Group of Executive Directors on Executive Board Committees examined the structure and mandates of Board Committees, and recommended some changes dealing primarily with the structure and terms of reference of committees, which the Board approved on January 29, 2008 (see EBD/08/10, 1/24/08). In January 2011, following a recommendation from the Working Group of Executive Directors on Executive Board Committees, the work of the committee on the Annual Report was consolidated into the Evaluation Committee, with ad hoc staff membership as needed (see EBD/11/3, p. 1, para. 3.)

committee memberships at the time of the reconstitution of the committees, conditional upon the Board's approval.

311. Executive Directors hold the chairmanship of all but two Board committees—namely, the Committee on the Budget, and the Pension Committee—where the Managing Director, or one of his/her representatives, serves in the Chair. The Secretary of the Fund, or his/her representative, is the Secretary of each committee (except the Ethics Committee, see below).

312. Executive Directors may participate in all meetings of the Executive Board's committees, except for the Ethics Committee, where the Code of Conduct provides that meetings of the Ethics Committee shall be restricted to members only and the permanent secretary of the committee except at the committee's invitation.⁸⁰ At the meeting of the APC on June 11, 2009, Executive Directors reached an understanding that non-committee members would exercise self-restraint in speaking at Board committee meetings.⁸¹

10.2. Standing Board Committees

Agenda and Procedures Committee (APC)

Chair: Executive Director

313. **Terms of reference:** To make recommendations to the Executive Board to support the development and orderly implementation of an effective management-guided work program and agenda of the Executive Board. To this end, the committee shall promote such procedures for timely document distribution, the conduct of Board meetings, timing, and logistics, and related matters as will avoid bunching in the Board's schedule, allow for adequate time for preparation by Executive Directors, and enable the efficient use of time spent in Board meetings.

Committee on the Budget (COB)

Chair: Managing Director/Deputy Managing Director

314. **Terms of reference:** To consider from a strategic perspective the Fund's medium-term budget outlook, and the Managing Director's annual budget proposals and other material circulated by the Managing Director regarding the administrative and capital budgets and income of the Fund. The committee makes its views on the budget proposals known to the Executive Board and will meet as needed to consider budget implementation. The committee, chaired by the Managing Director, shall comprise 12 Executive Directors.

⁸⁰ For attendance at the Ethics Committee meetings, see "Code of Conduct for Members of the Executive Board of the International Monetary Fund" Decision No. 12239-(00/71) adopted July 14, 2000, as amended.

⁸¹ See the summary record of APC meeting 09/2 (EB/APC/Mtg/09/2, 7/6/09).

Committee on Executive Board Administrative Matters (CAM)

Chair: Executive Director

315. **Terms of reference:** To consider, and report to the Executive Board for decision, general aspects of administrative policy relating to the Executive Directors, Alternates or their Senior Advisors, Advisors and Administrative Assistants, referred to it by the Executive Board or an Executive Director. Individual cases involving individual Directors or Alternates or their Senior Advisors, Advisors and Administrative Assistants with no wider implications shall be considered and decided by the committee upon the request of an Executive Director without reference to and consideration by the Executive Board. The committee may consider and make recommendations on the specific administrative policy involved. To develop, consider, and report to the Executive Board for decision, budgetary proposals for the individual and aggregate Offices of Executive Directors and to carry out those related budgetary responsibilities assigned to the Committee by the Board.⁸²

Committee on Liaison with the World Bank and Other International Organizations (LC)

Chair: Executive Director

316. **Terms of reference:** With a view to promoting greater coherence in the international economic, financial, trade, and development agenda, particularly respecting economic capacity building, the committee shall take stock of developments in the policies and programs of other international organizations with complementary mandates to that of the Fund, in particular the World Bank and the WTO. The committee shall gather information on, and maintain close liaison with, these institutions, as needed, with a view to keeping abreast of evolving developments. It makes recommendations to the Executive Board regarding Fund relations with these organizations, as appropriate.

Evaluation Committee (EVC)

Chair: Executive Director

317. **Terms of reference:** To follow closely the evaluation function in the Fund and advise the Executive Board on matters relating to evaluations, including those of the IEO. The committee, with ad hoc staff membership, will also consider the Annual Report. The composition of the committee is proposed by the Chair of the Executive Board, in consultation with the Dean, and approved by the Board.⁸³

Pension Committee (PC)

Chair: Managing Director/Deputy Managing Director

318. **Terms of reference:** To decide all matters of a general policy nature arising under the Staff Retirement Plan, and all other matters, including any interpretation of the provisions of the plan, required to be decided by it under the provisions of the plan or submitted to it by any committee appointed by it. The members of the committee are the Managing Director, ex

⁸² As revised in EBD/09/15 and approved by Executive Board on February 20, 2009.

⁸³ See also section 9.7., containing the Terms of Reference of the Independent Evaluation Office.

officio, four Executive Directors elected biennially by the Executive Directors, one staff member appointed by the Managing Director, and one staff member elected biennially by the participants.

Ethics Committee (EC)

Chair: Executive Director

319. An Ethics Committee, comprised of five Executive Directors, considers matters related to the Code of Conduct.⁸⁴ In addition, if requested by Executive Directors, the committee gives guidance to them on ethical aspects of conduct of their Alternates, Senior Advisors, Advisors and Administrative Assistants. The Ethics Committee is also responsible for advising on issues that may arise in connection with the application of the standards of ethical conduct to the Managing Director pursuant to the Managing Director's contract.

320. The Executive Board selects a Chairperson, four members, and five alternate members from among Executive Directors. They are selected on the occasion of a general election of Executive Directors, and serve for two years. If the Chairperson, a member or an alternate member resigns, a new Chairperson, member or alternate member shall be selected by the Executive Board to complete the remainder of the term.

10.3. Ad Hoc Board Committees

321. In addition to the standing committees and the Committee of the Whole (described in Section 3.2), the following committees of Executive Directors may be established as the need arises.

Committee on Membership

322. A committee of some seven or eight Executive Directors is established to consider a country's application for membership in the Fund. A Membership Committee is chaired by one of the Executive Directors serving on the committee. The committee considers a report by the staff on a proposed quota for the new member and makes a recommendation to the Executive Board, which then sends a resolution for adoption by the Board of Governors.

Committee on Rules for the Election of Executive Directors (CREED)

323. Every two years, the election of Executive Directors takes place at the time of the Annual Meetings. The election is conducted on the basis of rules recommended by a committee of about eight Executive Directors, one of whom serves as the Chairman. The recommended rules are forwarded by the committee to the Executive Board, which then proposes a resolution for adoption by the Board of Governors through a vote by mail in advance of the Annual Meetings.

⁸⁴ Adopted on July 14, 2000. The text of the Code of Conduct for Members of the Executive Board is discussed in Section 9.3 of this Compendium.

Committee on the Ad Hoc Quota Increase of a Member Country

324. Any member may request a special, ad hoc increase in its quota, outside the context of the regular quinquennial review of quotas. The request is usually considered initially by a committee of some six or seven Executive Directors, with a committee member serving as the chairman. The committee's recommendation is forwarded to the Executive Board, which then proposes a resolution for adoption by the Board of Governors through a vote by mail.

Audit Selection Committee

325. A committee of about six to eight Executive Directors is established annually to consider the composition and membership of the Fund's External Audit Committee, which reports to the Board of Governors and is responsible for the oversight of the IMF's external audit, internal audit, financial accounting and reporting, risk management and internal control functions.

Committee on Interpretation⁸⁵

326. This committee, chaired by an Executive Director, considers and makes reports and recommendations to the Executive Board on questions of interpretation. There is an understanding that a legal question should be sent to the committee by the Executive Board if any Executive Director so requests.

⁸⁵ In 2012, the Board decided to no longer establish the Interpretation Committee as a permanent committee because it had not met in years.

Appendix: Selected Background Documents ⁸⁶

2008 Reconstitution of Executive Board Committees, EBD/08/119, December 31, 2008.

Lapse of Time Procedures for Article IV Consultations, Part A of Decision No. 14766-(10/115), November 29, 2010, as amended by Decision No. 15027-(12/74), July 19, 2012.

Bank-Fund Collaboration in Assisting Member Countries, SM/89/54, Rev. 1, March 31, 1989.

Code of Conduct for Members of the Executive Board, as amended, EBD/03/112, November 26, 2003.

Committee on Administrative Matters—Revised Terms of Reference, EBD/09/15, February 13, 2009.

Committee on Agenda and Board Procedures—Summary Record of Meeting 01/5, EB/APC/Mtg/01/5, July 19, 2001—Acting Secretary’s Memorandum to Executive Directors, August 2, 2001.

Committee on Agenda and Work Procedures—Summary Record of Meeting 02/2, EB/APC/Mtg/02/2, February 28, 2002—Secretary’s Memorandum to Executive Directors, March 6, 2002.

Committee on Agenda and Work Procedures—Summary Record of Meeting 03/1, EB/APC/Mtg/03/1, January 30, 2003.

Agenda and Procedures Committee—Summary Record of Meeting 09/2, EB/APC/Mtg.09/2, July 6, 2009.

Decision Making in the International Monetary Fund, Francois Gianviti, December 28, 1998.

European Central Bank—Observer Status—Executive Board Decision No. 14517-(10/1), January 5, 2010.

Executive Board Report to the International Monetary and Financial Committee on the Establishment of the Independent Evaluation Office and its Terms of Reference, EBAP/00/105, September 12, 2000.

Executive Board Work Procedures, EBD/79/155, June 20, 1979.

Executive Board Work Procedures, SM/93/18, January 25, 1993.

⁸⁶ Many of these documents can be accessed on the SEC intranet site.

Executive Board Working Group on Committees—Report on Board Practices, FO/Dis/10/223, Rev. 1, November 16, 2010.

Executive Board—Voting in Relation to Sense of Meeting and Proposal by the Chairman, EBD/77/255, December 6, 1977 and Sup. 2, January 24, 1978.

External Evaluation of the Independent Evaluation Office—Follow-Up, EBAP/14/10, February 3, 2014.

Extracts from the Articles of Agreement (Articles XII, Sections 1–5), By-Laws (Section 5, 6, 9, 10, 13–22) and Rules and Regulations (Rule C1-16).

Report of the Committee on Rules for the 2014 Regular Election of Executive Directors, EBD/14/45, July 11, 2014.

Follow-up to the Work Program Discussion on November 13, 2006—Memorandum from the Secretary, November 30, 2006.

Work Program Implementation—Follow-Up, FO/DIS/14/26, February 24, 2014.

Fund-Wide Business Continuity Plan: Amendment of Administrative Arrangements, EBAP/13/35, April 3, 2013.

Updated Guidance Note on the Fund's Transparency Policy, SM/14/81, April 8, 2014.

Guidelines on Cross-Attendance at Fund and World Bank Board Meetings—Acting Secretary's Memorandum to Executive Directors, July 7, 1999.

Guidelines on Minimum Circulation Periods for Executive Board Documents, EBD/97/66, Sup. 2, July 21, 1997.

Implementing Proposals to Reduce Work Pressures—Memorandum from the Deputy Managing Director (Mr. Sugisaki) to Heads of Departments and Offices, February 26, 2002.

Dissemination of Technical Assistance Information, SM/08/97, Supp. 1, April 3, 2008.

Staff Operational Guidelines on Dissemination of Technical Assistance Information, SM/13/143, June 10, 2013.

Making the Misreporting Policies Less Onerous in *De Minimis* Cases—Proposed Decision, EBS/06/86, Sup. 2, December 13, 2006.

Minimum Circulation Period for Staff Reports for Article IV Consultations, EBD/09/8, January 27, 2009

Omnibus Paper on Easing Work Pressures, SM/09/213, Sup. 3, August 31, 2009.

Operational Guidance Note for Staff on Staff-Monitored Programs, SM/03/215, June 20, 2003.

Procedures for Board Documents Containing Particularly Sensitive Information, EBD/98/120, November 6, 1998.

Proposals for Reducing Work Pressures, SM/01/173, June 15, 2001, and Sup 1, July 27, 2001.

Proposed Amendment on Appointment of Development Committee Members and Proportion of Financial Appropriations, March 29, 2012 and Sup 1, May 21, 2012.

Reconstitution of Executive Board Committees, EBD/15/3, January 16, 2015.

Recording of Objections and Abstentions in the Context of Lapse of Time Procedures, SM/98/1, January 5, 1998.

Report of the Executive Directors' Working Group on Summings Up, February 20, 2013.

Report of the Managing Director and the President on Bank-Fund Collaboration, SM/98/226, September 4, 1998.

Report of the Working Group on Committees on Board Practices—Proposed Decision, EBD/10/73, November 19, 2010

Review of the Cooperation Agreement between the Fund and the World Trade Organization, EBD/98/78, July 15, 1998.

Review of the Experience with the Board Practices Reform, FO/Dis/12/76, May 16, 2012.

Review of the Fund's Strategy on Overdue Financial Obligations, EBS/01/122, July 23, 2001.

Review of the Fund's Transparency Policy, SM/13/115, [date], 2013; Sup. 1, [date]; Sup. 2, [date].

Review of the Implementation of the Policy on Access to Fund Archives, SM/03/115, April 2, 2003; SM/09/264, Sup. 2, December 9, 2009; Decision No. 14766; and Decision No. 15547.

Side Letters and the Use of Fund Resources, SM/99/66, March 10, 1999; and follow-up papers, SM/99/85, April 5, 1999, and SM/99/163, July 7, 1999.

Side Letters—Decision No. 12067–(99/108), September 22, 1999.

Statement by the General Counsel on Review of Fund Facilities “Nonamendment” Provisions in Decision of the Executive Board, BUFF/00/169, November 15, 2000.

Strengthening the Application of the Guidelines on Misreporting, EBS/00/121, June 29, 2000, and Sup. 2, August 1, 2000.

Strengthening the Effectiveness of Article VIII, Section 5, SM/03/166, May 5, 2003; and Strengthening the Effectiveness of Article VIII, Section 5—Revised Proposed Decision, SM/03/386, Sup. 1, January 23, 2004.

Structure and Mandates of Executive Board Committees, EBD/08/10, January 24, 2008.

Summings Up for Policy Items—New Procedures—Acting Secretary’s Memorandum to Executive Directors, May 12, 1999.

Summings Up for Policy Items—Secretary’s Memorandum to Executive Directors, November 30, 2001.

Summings Up in the Context of Use of Fund Resources, SM/99/48, February 23, 1999.

Terms of Reference for the Director and Terms and Conditions of Appointment for Director and Employees of the Independent Evaluation Office (EVO)—Report by Evaluation Group, EBAP/01/31, April 17, 2001 and Cor. 1, April 18, 2001, as amended by EBAP/07/99 and EBAP/07/133, Sup. 1.

The Definition of “Code” Words, Statement by the Secretary, January 12, 1983.

2013 Review of the Fund’s Transparency Policy—Executive Board Decision No. 15420-(13/61), June 24, 2013.

The IMF and the World Bank Group—An Enhanced Partnership for Sustainable Growth and Poverty Reduction, Joint Statement by Messrs. Kohler and Wolfensohn, September 5, 2000.

The Secretary’s Supplementary Note on the Statement by the Managing Director on the Work Program of the Executive Board, BUFF/06/162, Sup. 1 (revised), November 6, 2006.

Transmittal of Fund Documents to other International Organizations, SM/97/69, February 27, 1997.

Voting Majorities in the Fund—Effects of Second Amendment of the Articles, Joseph Gold, IMF Pamphlet Series, No. 20, 1977.