



IMF POLICY PAPER

TRANSMITTAL POLICY—THE EXCHANGE OF DOCUMENTS BETWEEN THE FUND AND OTHER ORGANIZATIONS

November 2017

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The following documents have been released and are included in this package:

- The **Staff Report**, prepared by IMF staff and completed on October 26, 2017 for the Executive Board's consideration on a lapse of time basis.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

Electronic copies of IMF Policy Papers
are available to the public from
<http://www.imf.org/external/pp/ppindex.aspx>

International Monetary Fund
Washington, D.C.



October 26, 2017

TRANSMITTAL POLICY—THE EXCHANGE OF DOCUMENTS BETWEEN THE FUND AND OTHER ORGANIZATIONS

EXECUTIVE SUMMARY

The Fund has a long history of exchanging documents with other international organizations and currency unions. The practice of exchanging documents with individual organizations dates back to the 1940s, mostly conducted through bilateral arrangements with other international organizations and currency unions. In 1990, the Fund introduced a framework (the “Transmittal Policy”) for the transmittal of certain Board documents (relating to Article IV consultations, use of Fund resources and, later, technical assistance).

The Transmittal Policy has served the institution well, but some gaps have emerged over time. Many of the current bilateral document sharing arrangements were adopted in response to individual organizations’ requests, thus document sharing arrangements have not always been applied uniformly to similar organizations or kept pace with the mandates and needs of the organizations. This has resulted in similar organizations having uneven access to Fund documents. Moreover, the Fund’s Transparency Policy has also evolved and prompt publication of most Board documents is now the norm.

The proposals set forth in this paper seek to ensure a consolidated, evenhanded approach to the transmittal of Fund documents to international organizations and currency unions. In particular, this paper proposes several changes that would allow international organizations and currency unions to receive a wider range of documents. This paper also presents a proposal responding to requests by Executive Directors of European Union (EU) countries to expand access to documents and information prior to Board consideration for the European Commission (EC). Staff proposes that access be granted uniformly to the EC and other executive bodies of currency unions that have executive decision-making power over the common economic and monetary policies of currency unions. There is also an interest in more expanded sharing of Fund documents with regional financing arrangements (RFAs) in view of their importance in the Global Financial Safety Net. However, given the unique structure of RFAs and the need to develop a policy framework suited for the needs of both the Fund and RFAs, a proposal for such sharing will be put forward in a separate paper for consideration by the Board.

Approved By
Jianhai Lin and Sean Hagan

Prepared by a team comprised of Erica Anderson, Brandon Baker-Rice, Katheryn Fletcher (all SEC), Julianne Ams, Kyung Kwak, Pheabe Morris and Gomiluk Otokwala (all LEG). The team was led by Ceda Ogada (LEG) and Hassan Al-Atrash (SEC).

CONTENTS

Acronyms	3
INTRODUCTION	4
CURRENT FRAMEWORK ON DOCUMENT TRANSMITTAL	5
A. Document Exchange with International Organizations	5
B. Document Exchange with Currency Unions	7
GAPS IN THE CURRENT FRAMEWORK AND PROPOSED CHANGES	7
A. Document Exchange with International Organizations	7
B. Document Exchange with Currency Union Central Banks	10
C. Expanding Access: Document Exchange with Executive Bodies of Currency Unions	12
D. Framework for Executive Directors to Transmit Informal Summaries and Notes to Executive Bodies of Currency Unions	14
NEXT STEPS	16
TABLES	
1. International Organizations	9
2. Currency Union Central Banks	12
3. Executive Bodies of Currency Unions	15
ANNEX	
I. Redlined Version of the Transmittal Policy Decision	23

Acronyms

AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
AMF	Arab Monetary Fund
AsDB	Asian Development Bank
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BEAC	Banque des États de l'Afrique Centrale
BIS	Bank for International Settlements
CDB	Caribbean Development Bank
CEMAC	Central African Economic and Monetary Community
COMESA	Common Market for Eastern and Southern Africa
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EU	European Union
FAO	Food and Agriculture Organization
FSSA	Financial System Stability Assessment
GFSR	Global Financial Stability Report
IaDB	Inter-American Development Bank
IsDB	Islamic Development Bank
LOI	Letter of Intent
MEFP	Memorandum of Economic and Financial Policies
OECD	Organisation for Economic Co-operation and Development
PCI	Policy Coordination Instrument
PSI	Policy Support Instrument
RFA	Regional Financing Arrangement
SA	Statistical Appendix
SDR	Special Drawing Right
SEC	Secretary's Department
SI	Selected Issues
TA	Technical Assistance
TMU	Technical Memorandum of Understanding
UFR	Use of Fund Resources
UNDP	United Nations Development Programme
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
WAEMU	West African Economic and Monetary Union
WEO	World Economic Outlook
WFP	World Food Programme
WTO	World Trade Organization

INTRODUCTION

1. **The exchange of documents with other international organizations is an important aspect of the Fund’s cooperation with these organizations to better serve common member countries.** The Fund has a long history of sharing documents with other international organizations, either in response to ad hoc requests or routinely through bilateral document sharing arrangements. The Transmittal Policy—established in 1990 and later amended—consolidated some of these arrangements and set out modalities for exchanging staff reports on surveillance and the use of Fund resources (UFR) as well as technical assistance (TA) reports with international organizations that meet certain criteria.¹ The Transmittal Policy continues to be relevant, but the Transparency Policy governing the publication of Board documents² and the evolution of the Fund’s role in the international monetary system have increasingly rendered some aspects of the Transmittal Policy obsolete.

2. **In parallel, the Fund’s cooperation with currency union central banks has deepened, highlighting the importance of enhancing the scope of information sharing in areas of common interest.** The central banks of currency unions are responsible for common policies in their unions, specifically monetary and exchange rate policies, which are central to Fund surveillance and UFR. However, their access to Fund documents is governed by a patchwork of different Fund decisions, resulting in the provision of different types of documents to different currency unions.

3. **Under the current framework for Fund cooperation with currency unions, only the central banks of currency unions receive Fund documents on common members prior to Board consideration, leaving out the executive bodies of currency unions,³ which have decision-making authority over common economic and monetary policies that are central to policy formulation and implementation of currency union agreements.** The issue of sharing documents with executive bodies of currency unions has been raised by Executive Directors from EU countries, who have noted the importance of granting broader and earlier access to the EC, a core institutional governing body of the European Union and therefore also holding responsibility for its Economic and Monetary Union. By enhancing document sharing with executive bodies of currency unions, the

¹ [Decision No. A-9786-\(93/20\), February 11, 1993](#), as amended. The organizations with which the Fund currently shares documents under the Transmittal Policy are: African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Arab Monetary Fund (AMF), Asian Development Bank (AsDB), Caribbean Development Bank (CDB), Common Market for Eastern and Southern Africa (COMESA), European Bank for Reconstruction and Development (EBRD), European Commission (EC), Economic Community Of West African States (ECOWAS), Eastern Caribbean Currency Union (ECCU), European Investment Bank (EIB), Food and Agriculture Organization (FAO), Inter-American Development Bank (IaDB), Islamic Development Bank (IsDB), Organisation for Economic Co-operation and Development (OECD), United Nations Development Programme (UNDP), United Nations Economic Commission for Latin America and the Caribbean (UNECLAC), West African Economic and Monetary Union (WAEMU), and World Food Programme (WFP). The Bank for International Settlements (BIS) is included as previous agreements grant access to the World Economic Outlook.

² [Decision No. 15420-\(13/61\), 6/24/2013](#).

³ These include the Commission of CEMAC, the Monetary Council of the ECCU, the EC of the Euro Area, and the Commission of WAEMU.

Fund would facilitate monetary and exchange rate policy coordination between currency unions and their respective members and the Fund.

4. **This paper proposes updates to the existing framework under the Transmittal Policy to streamline transmittal procedures and expand the range of documents transmitted to international organizations and currency unions.** It is also proposed to provide a greater range of documents to executive bodies of currency unions prior to Board consideration, in response to requests from Executive Directors of EU countries.⁴ The proposals do not impact the transmittal of Fund documents to the World Bank Group, the World Trade Organization (WTO), and the ECB observer,⁵ which are currently governed by separate decisions that extend beyond document sharing.

CURRENT FRAMEWORK ON DOCUMENT TRANSMITTAL

A. Document Exchange with International Organizations

5. **With some modifications, the Transmittal Policy framework set up in 1990 remains in place today.** The policy framework, building on earlier arrangements,⁶ established the types of documents exchanged with other organizations (staff reports on surveillance, including background documents, and staff reports on UFR),⁷ outlined criteria for document exchange, and set out procedures for the transmittal of documents in the absence of an objection by the Executive Director concerned.⁸ A member country may object to the transmittal of an individual document or indicate their explicit approval is required prior to the transmittal of any of its documents to approved organizations. In 1993, in the context of a review of the Transmittal Policy, the Board agreed to streamline procedures and allow the sharing of TA reports, however a standalone framework has since been put in place for the dissemination of TA reports.⁹

6. **The transmittal of documents to international organizations continues to be undertaken in line with the criteria set out in the Transmittal Policy.** Specifically, staff reports pertaining to surveillance and UFR, as well as TA reports, may be transmitted to international

⁴ See Tables 1–3 for a summary of the proposed changes for international organizations, currency union central banks, and currency union executive bodies.

⁵ See [Decision No. 12925](#) setting out the arrangement for document sharing with the ECB in connection with the ECB observer status and reviews of the decision.⁶ In 1978, the Board approved the routine transmittal of staff reports for Article IV consultations to other international organizations in accordance with procedures already established for the transmittal of Article VIII and XIV consultation reports.

⁶ In 1978, the Board approved the routine transmittal of staff reports for Article IV consultations to other international organizations in accordance with procedures already established for the transmittal of Article VIII and XIV consultation reports.

⁷ Safeguard assessments reports fall outside the scope of this paper. These reports may be shared with authorized agencies—currently the ECB and the World Bank—under the criteria approved in the [2015 review](#)

⁸ [Decision No. A-9786-\(93/20\), February 11, 1993](#), as amended.

⁹ See [Staff Operational Guidelines on Dissemination of Technical Assistance Information](#).

organizations: (i) that have specialized responsibilities within the Fund’s field of interest (generally, organizations that are or will be providing substantial financial assistance to the particular member country concerned); (ii) that agree to a reciprocal transmittal of comparable documents of the recipient organizations to the Fund (comparable documents include those relating to the Fund’s mandate on common members: surveillance, the role of the Fund in the international monetary system, monetary and fiscal stability, and where relevant, flagship documents);¹⁰ and (iii) that have agreed to keep the reports confidential.^{11 12 13}

7. The Executive Board in some cases has granted limited access to Fund documents to certain organizations that do not meet all the criteria for document exchange under the Transmittal Policy. For these specified organizations, the routine transmittal of Article IV consultation background documents has been authorized,¹⁴ but transmittal of stand-alone Article IV consultation staff reports and Financial System Stability Assessments (FSSA) has not. These organizations are the Food and Agriculture Organization (FAO), the World Food Program (WFP), the United Nations Development Program (UNDP), and the United Nations Commission for Latin America and the Caribbean (UNECLAC).¹⁵

8. Requests for ad hoc access that fall outside the existing framework are evaluated by the Secretary under the delegated authority of the Managing Director. When transmittal is deemed to be appropriate and in the interest of the Fund and the member, requests have been submitted to the Board for approval on a lapse-of-time basis.

9. As the Fund continues to collaborate with other organizations, staff foresees additional requests to extend document sharing arrangements with Regional Financing Arrangements (RFAs) in view of their importance in the Global Financial Safety Net. The case for such document sharing was discussed in the context of the Board discussion on RFAs.¹⁶ However, given the unique structure of RFAs and the need to develop a policy framework suited for the needs of both the Fund and RFAs, a proposal for such sharing will be put forward in a separate paper for consideration by the Board.

¹⁰ The WEO is provided to the BIS, EC, ECB, OECD, and the WTO.

¹¹ [Decision No A-9786-\(93/20\)](#), as amended.

¹² Only those documents classified as “for official use only” or “confidential” are transmitted. Documents classified as “strictly confidential” are not transmitted.

¹³ A secure system is currently used to provide documents to authorized contacts at each organization.

¹⁴ Background documents include selected issues papers and statistical appendices.

¹⁵ In 1994, the Food and Agriculture Organization (FAO), the World Food Program (WFP) and the United Nations Development Program (UNDP), requested the routine transmittal of background papers on recent economic developments and policy framework papers on common members of these institutions and the Fund, but not Article IV consultation or UFR reports. The Board granted the requests, noting that these organizations did not fully meet the criteria.

¹⁶ See [IMF Executive Board discusses Collaboration between Regional Financing Arrangements and the IMF](#).

B. Document Exchange with Currency Unions

10. **The transmittal of Fund documents to currency unions is governed by a number of Board decisions.** The West African Economic and Monetary Union (WAEMU) and the Central African Economic and Monetary Union (CEMAC) have access to Article IV consultation staff reports and the related background documents and UFR papers after Board consideration under the existing framework pertaining to international organizations.¹⁷ The Bank of Central African States (BEAC), the East Caribbean Central Bank (ECCB), and the Central Bank of West African States (BCEAO), receive staff reports and related documents pertaining to Fund surveillance shortly after their issuance to the Executive Board under the decisions on modalities for surveillance with individual currency unions but do not have access to staff reports on UFR. With respect to the Euro Area, the ECB has access to certain Board documents under the ECB observer decision.¹⁸

11. **The executive bodies of currency unions (the Commission of CEMAC, the EC of the Euro Area, the Commission of WAEMU, and the Monetary Council of the ECCU) do not currently have a dedicated framework for access to documents prior to Board consideration despite their decision-making power over common policies and monetary and exchange rate policies.** Only the respective currency union central banks, not the executive bodies of currency unions, have timely access to Article IV surveillance staff reports of members through the decisions on modalities for surveillance with individual currency unions.¹⁹

GAPS IN THE CURRENT FRAMEWORK AND PROPOSED CHANGES

A. Document Exchange with International Organizations

Gaps in the currency policy framework

¹⁷ These arrangements were approved by the Board in response to independent requests for access to Board documents prior to the central banks of these currency unions being granted access to Board documents under the decisions on modalities for surveillance for individual currency unions. In practice the currency union central banks for ECCU, CEMAC, and WAEMU were viewed as being under the same umbrella as the executive body. The EC is a separate institution that is the executive body of a currency union. This structural difference should be accounted for in the legal framework.

¹⁸ See [Decision No. 12925-\(03/1\), December 27, 2002](#), as amended.

²⁴ See Appendix (DEC/A/10764 concerning WAEMU, [DEC/13654](#) concerning CEMAC, [DEC/13655](#) concerning ECCU, [DEC/13656](#) concerning WAEMU).

12. There are several gaps within the existing Fund policy framework on the exchange of documents with international organizations.

- Since most surveillance and UFR Board documents are now published under the Transparency Policy, some organizations may no longer have an interest in receiving them separately under the Transmittal Policy.
- For UFR reports that are shared with other organizations under the current Transmittal Policy, the letter of intent (LOI), the memorandum of economic and financial policies (MEFP), and the technical memorandum of understanding (TMU) are excluded from the documents transmitted to the recipient organizations. As a result, the materials transmitted contain less information than is routinely published under the Transparency Policy.
- Currently Board documents on surveillance and UFR are transmitted to other international organizations, however Board documents relating to the Policy Support Instrument (PSI) and the Policy Coordination Instrument (PCI) are not included under the existing framework.
- The practice continues to be that only Article IV consultation background documents are transmitted to the FAO, UNDP, WFP, and UNECLAC, despite many background documents having strong linkages through more extensive analysis of key macroeconomic issues with their respective staff reports and FSSAs which provide in depth analysis of a country's financial sector.

Proposed Changes

13. Staff proposes a consolidated framework for the exchange of documents with other international organizations. The following approach is proposed in respect of the transmittal of Fund documents to international organizations:

- Staff would communicate with each organization covered by the proposed decision to confirm its continued interest in receiving Fund documents under the Transmittal Policy.
- To close the gap between the current Transmittal Policy and the Transparency Policy, UFR reports may be transmitted together with the associated LOI, MEFP and TMU.
- To further strengthen relationships and enhance collaboration, PSI and PCI papers may be transmitted to international organizations meeting all the criteria set out in the Transmittal Policy.
- Given the strong linkages among the documents, Article IV consultation reports may be transmitted along with the Statistical Issues and Statistical Appendixes already transmitted to the FAO, UNDP, WFP, and UNECLAC.
- To parallel the confidentiality requirements, if an entity covered by the Transmittal Policy does not provide their documents on a reciprocal basis, the Managing Director may suspend the

document sharing arrangement until the Managing Director receives assurances of reciprocal document sharing.

Table 1. International Organizations ^{1,2,3}		
Meet All Criteria	Current Access	Proposed Access
AfDB AIIB AMF AsDB CDB COMESA EBRD EC ⁴ ECOWAS EIB IaDB IsDB OECD WAEMU	Staff reports on Article IV consultations, use of Fund resources (without the LOI, MEFP, and TMU), Financial System Stability Assessments, Selected Issues and Statistical Appendixes. After consideration by the Board.	Staff reports on Article IV consultations, use of Fund resources (with the LOI, MEFP, and TMU), Policy Support Instrument, Policy Coordination Instrument, Financial System Stability Assessments, Selected Issues and Statistical Appendixes. After consideration by the Board.
Do Not Meet All Criteria	Current Access	Proposed Access
FAO UNDP UNECLAC WFP	Selected Issues and Statistical Appendixes. After consideration by the Board.	Stand-alone Article IV consultation staff reports, Financial System Stability Assessments, Selected Issues and Statistical Appendixes. After consideration by the Board.
<p>¹In practice, the transmittal of TA reports is guided by a separate policy on dissemination of TA information, which outlines procedures for staff to share documents with international organizations (see Macroeconomic Issues in Small States and Implications for Fund Engagement).</p> <p>²The WEO will continue to be provided to the EC, the OECD, the BIS, and the WTO under existing arrangements.</p> <p>³The WAEMU was granted access to Board documents under the Transmittal Policy because of its mandate for cooperation with the BCEAO despite not meeting the criteria of providing financial and technical assistance. CEMAC was determined to have meet all the criteria for access to Board documents under the Transmittal Policy. The ECCU received access to Board documents through the decision on modalities for surveillance with individual currency unions (Decision No. 13655).</p> <p>⁴The EC is still listed here, as it will continue to receive documents for countries outside the EU to which it provides technical and financial assistance in a development capacity.</p>		

B. Document Exchange with Currency Union Central Banks

Gaps in the current policy framework

14. There is no comprehensive policy framework for the exchange of Fund documents with currency unions, thereby leaving some gaps in the scope and timeliness of document exchange.

- Access to documents by currency union central banks is governed by the decisions on modalities for surveillance with individual currency unions. The decisions for BEAC, BCEAO, and ECCB provide that staff reports and related background documents pertaining to Fund surveillance should be communicated to the respective central banks shortly after issuance to the Executive Board.²⁰ These decisions cover only surveillance-related documents and papers combining discussions on surveillance and Article IV/UFR. They do not, however, cover staff reports for stand-alone UFR, PSIs or PCIs.
- Currency union central banks do not currently have access to the summings up for the above items relating to currency unions' individual members.
- While the relevant decision for surveillance over Euro Area policies does not provide for a similar modality,²¹ the decision on the ECB observer status provides the ECB access to certain Fund documents, including staff reports for Article IV consultations on the members whose currencies are part of the SDR currency basket (United States, United Kingdom, Japan, China and the Euro Area) and the flagship documents (WEO, GFSR and Fiscal Monitor).²² Other currency union central banks do not receive these documents.
- For those documents that are not transmitted to currency union central banks under the above policies, the currency union central banks must wait until the documents are either published following Board consideration or become available under the Open Archives Policy. The Open Archives Policy provides for access to persons or entities outside the Fund ("outside persons") after the lapse of specified periods.²³ Since currency union central banks are considered "outside persons" for purposes of this policy, access may entail a delay of several years.

²⁰ [Decision No. 13654](#), as amended (CEMAC); [Decision No. 13655](#), as amended (ECCU); and [Decision No. 13656](#), as amended (WAEMU).

²¹ [See Decision No. 12899](#), as amended (Euro Area).

²² [See Decision No. 12925, as amended](#), setting out the arrangement for document sharing with the ECB in connection with the ECB observer status.

²³ [Decision No. 14498-\(09/126\)](#), as amended; In general, subject to certain caveats, non-public Executive Board documents will be made available upon request after three years; minutes of Executive Board meetings will be made available 3 or 5 years after creation, depending on the subject matter of the meeting; and all other documents (e.g., staff memoranda) will be made available after 20 years.

Proposed Changes

15. The following framework, which is designed to ensure evenhandedness and to promote better collaboration, is proposed for the exchange of documents with currency union central banks:

- In addition to surveillance documents, staff reports on UFR, PSIs and PCIs relating to the currency union’s individual members may be transmitted.²⁴
- Summings up relating to the currency union’s individual members may be transmitted.
- Article IV consultation staff reports relating to the SDR currency basket countries²⁵ may be transmitted to BEAC, BCEAO, and ECCB. This sharing was recently approved for the ECB and the other currency union central banks would benefit from access to these staff reports. This sharing reflects that the currency union central banks are responsible for policy areas central to Fund surveillance, notably monetary and exchange rate policies, and that the countries in the SDR currency basket are of systemic importance and play a major role in the external trade positions and currencies of these currency unions. The WEO, GFSR, and Fiscal Monitor, which provide regional and global analysis, would also be transmitted. The ECB already receives these documents under the ECB observer decision.
- Documents may be made available shortly after their issuance to the Executive Board in the absence of an objection by the member that is the subject of the report. Summings up may be made available shortly after issuance to the Board, provided that there is no objection by the member country to whom the summing up pertains.
- As with other organizations receiving Fund documents, currency union central banks would be asked to confirm that they would preserve the confidentiality of the information contained within the documents²⁶ and agree to reciprocal sharing of comparable documents. The Managing Director may suspend the document sharing arrangement until the Managing Director receives assurances of reciprocal document sharing.

²⁴ Multi-country documents are not included in the scope of documents subject to transmittal.

²⁵ The staff reports on surveillance for the United States, United Kingdom, Japan, China, and the Euro Area Policies.

²⁶ Documents transmitted are for official use as background material only, and for limited circulation to relevant staff within the currency union central bank. The information contained in these reports is not for quotation or publication.

Table 2. Currency Union Central Banks ¹		
	Current Access	Proposed Access
BEAC BCEAO ECB ² ECCB	Staff reports on Article IV consultations, use of Fund resources (with the LOI, MEFP, and TMU) (ECB only), Financial System Stability Assessments, Selected Issues and Statistical Appendixes, SDR currency basket country Article IV consultations (ECB only), WEO (ECB only), GFSR (ECB only), and Fiscal Monitor (ECB only). After consideration by the Board.	Staff reports on Article IV consultations, use of Fund resources ³ (with the LOI, MEFP, and TMU), Policy Support Instrument, Policy Coordination Instrument, Financial System Stability Assessments, Selected Issues, Statistical Appendixes, related summings up , SDR currency basket country Article IV consultations ³ , WEO, GFSR, and Fiscal Monitor. Shortly after issuance to the Board. ⁴
<p>¹Staff reports and the related background documents on the common members of the currency union and the Fund, and the staff report on surveillance of the currency union.</p> <p>²See Decision No. 12925 setting out the arrangement for document sharing on euro zone members with the ECB in connection with the ECB observer status.</p> <p>³Combined UFR/Article IV consultation staff reports are already being transmitted to currency union central banks.</p> <p>³The staff reports on surveillance for the United States, United Kingdom, Japan, China, and the Euro Area Policies.</p> <p>⁴Summings up may be made available shortly after issuance to the Board, provided that there is no objection by the member country to whom the summing up pertains.</p>		

C. Expanding Access: Document Exchange with Executive Bodies of Currency Unions

16. **Currently, there is no dedicated framework to permit access to Fund documents prior to Board consideration by the executive bodies of currency unions even though they have decision-making authority regarding common economic and monetary policies that are central to policy formulation, implementation and compliance.** Greater policy coordination would permit the presentation of a fully informed position at Executive Board meetings and improve Fund decision-making by allowing the Board to consider both member-level and region-level issues. The Executive Directors for EU countries have requested that the EC receive certain documents prior to Board consideration. Currently, the EC receives access to Fund documents after Board consideration. This document sharing arrangement predates the launch of the euro and creation of the currency union. The EC now has executive decision-making power over a large number of

common policies, including the supervision of the European Financial Stabilisation Mechanism.²⁷ Staff proposes that documents be shared with all eligible executive bodies of currency unions. For the purpose of this paper, an eligible currency union executive body is considered to be an executive organ of a currency union with direct oversight of the currency union, which has decision making power over policies and rules governing a currency union, including the adoption of regulations, directives, decisions, and recommendations, in areas on which the currency union member countries conferred the relevant authority to the executive body.

Gaps in the current policy framework

17. **There are certain gaps in the existing policy framework that do not reflect the circumstances of the executive bodies of currency unions.**

- The Commission of WAEMU, the Commission of CEMAC, and the EC currently receive UFR and surveillance documents *after* Board consideration under the general Transmittal Policy framework applicable to international organizations. The Monetary Council of the ECCU only receives documents when they are published or released under the Open Archives Policy.
- The summings up for Board meetings on member countries are not transmitted to executive bodies of currency unions.
- The executive bodies of currency unions do not receive Article IV consultation staff reports on SDR currency basket countries.²⁸
- The executive bodies of currency unions do not receive the Fund’s flagship documents.

Proposed Changes

18. **Staff proposes greater and more timely access to Fund documents by executive bodies of currency unions—the Commission of CEMAC, the Monetary Council of the ECCU, the EC, and the Commission of WAEMU:**

- Staff reports on Article IV consultations and related background documents, UFR, PSIs and PCIs regarding common members may be transmitted to the executive bodies of currency unions shortly after their issuance to the Executive Board.²⁹
- Summings up for Board meetings on member countries may be transmitted to the executive bodies of currency unions.
- In addition to the documents above, the EC may receive reports on Article IV consultations and

²⁷ See Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilization mechanism http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2010.118.01.0001.01.ENG&toc=OJ:L:2010:118:TOC, as amended (<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32015R1360>).

²⁸ The staff reports on surveillance for the United States, United Kingdom, Japan, China, and the Euro Area Policies.

²⁹ Multi-country documents are not included in the types of documents subject to transmittal.

UFR, and the related summings up for members of the EU that are not part of the Euro Area, as these non-Euro Area EU members are parties to the Treaty on the European Union and the Treaty on the Functioning of the European Union deepening economic integration. The EC is a core institutional governing body of the EU and therefore also holding responsibility for its Economic and Monetary Union, and is responsible for common policies of these members, including surveillance of its fiscal policies.³⁰

- Given that the executive body of a currency union has direct oversight of the currency union and policies central to Fund surveillance including monetary policy, and that the SDR currency basket countries are of systemic importance and play a major role in external trade, and impact policies concerning economic policies in a currency union. Article IV consultation staff reports and related background documents of the SDR currency basket countries³¹ may be transmitted to executive bodies of currency unions.³²
- The WEO, GFSR, and Fiscal Monitor, which cover regional and global analyses that would facilitate coordinated policy advice by the executive body of a currency union and its individual member countries, may also be transmitted.³³
- Documents may be made available shortly after their issuance to the Executive Board in the absence of an objection by the member concerned. Summings up may be made available shortly after issuance to the Board, provided that there is no objection by the member country to whom the summing up pertains.
- As with other entities receiving Fund documents, executive bodies of currency unions would be asked to confirm that they would preserve the confidentiality of the information contained within the documents³⁴ and agree to reciprocal sharing of comparable documents. The Managing Director may suspend the document sharing arrangement until the Managing Director receives assurances of reciprocal document sharing.

D. Framework for Executive Directors to Transmit Informal Summaries and Notes to Executive Bodies of Currency Unions

19. **Another gap in the current framework relates to the sharing of Executive Directors' informal summaries and notes.** While Executive Directors may provide their member country

³⁰ The Transmittal Policy is a decision of general applicability, which is proposed to be revised to address sharing with currency union bodies (Decision I). To the extent that the EU has members that are not also members of the Euro Area currency union, a separate decision will be required to permit document sharing with the EC regarding those members (Decision II).

³¹ The staff reports on surveillance for the United States, United Kingdom, Japan, China, and the Euro Area Policies.

³² Such reports will only be transmitted with the consent of the relevant SDR currency basket country. For the Euro Area Policies, the EURIMF Executive Director would be responsible for consent.

³³ The EC already receives the WEO under the Transmittal Policy.

³⁴ Documents transmitted are for official use as background material only, and for limited circulation to relevant staff within the executive body of the currency union. The information contained in these reports is not for quotation or publication.

authorities informal summaries and notes related to Board meetings on country matters, they are not currently permitted to share these materials with executive bodies of currency unions, notwithstanding the level of authority delegated to those organizations by their member countries. To ensure consistent policy advice and to facilitate the close cooperation needed to enhance Fund surveillance and UFR reviews, it is proposed that, while ensuring confidentiality, Executive Directors would be permitted to transmit to executive bodies of currency unions informal summaries and notes prepared by Directors' offices that relate to a Board meeting on the items for which such entities receive the related Board documents. As with other entities receiving Fund documents, executive bodies of currency unions would be asked to confirm that they would preserve the confidentiality of the information contained within the documents.³⁵

Table 3. Executive Bodies of Currency Unions¹		
	Current Access	Proposed Access
Commission of CEMAC; EC ; Commission of WAEMU	Staff reports on Article IV consultations, Financial System Stability Assessments, Selected Issues and Statistical Appendixes, and use of Fund resources (without the LOI, MEFP, and TMU). After consideration by the Board.	Staff reports on Article IV consultations, Financial System Stability Assessments, Selected Issues, Statistical Appendixes, use of Fund resources (with the LOI, MEFP, and TMU), Policy Support Instrument, Policy Coordination Instrument, the related summings up, as well as SDR currency basket country Article IV consultations, ² WEO, GFSR, Fiscal Monitor, and the Executive Director's notes on these meetings.
Monetary Council of the ECCU	Only the ECCB as the central bank of the ECCU has a document exchange arrangement with the Fund.	The EC may also receive reports on Article IV consultations, use of Fund resources, Policy Support Instrument, Policy Coordination Instrument, and the related summings up for members of the EU that are not part of the Euro Area. Shortly after issuance to the Board. ³
<p>¹ Staff reports and related background documents on the common members of the currency union and the Fund, and the staff report on surveillance of the currency union.</p> <p>² The staff reports on surveillance for the United States, United Kingdom, Japan, China, and the Euro Area Policies.</p> <p>³ Summings up may be made available shortly after issuance to the Board, provided that there is no objection by the member country to whom the summing up pertains.</p>		

³⁵ Documents transmitted are for official use as background material only, and for limited circulation to relevant staff within the recipient entity. The information contained in these reports is not for quotation or publication.

NEXT STEPS

20. **If Executive Directors agree with the proposals set out in this paper:**

- SEC would communicate with international organizations, currency union central banks, and the executive bodies of currency unions covered by the proposed decision to confirm their continued interest in receiving Fund documents under the Transmittal Policy and to inform them of the changes in the framework.
- In turn, these would communicate to SEC their interest in receiving documents either on a routine basis or only upon request as well as their interest in receiving either all applicable documents or only specific types of documents. International organizations, currency union central banks, and the executive bodies of currency unions would be asked to routinely notify the Fund of any changes in their membership to ensure that documents regarding the appropriate members are being transmitted.
- In cases where a new organization, currency union, or executive body of a currency union requests regular access to Fund documents, the Transmittal Policy set out in this paper would be applied. If staff determines that the policy requirements have been met, SEC would submit a proposal on document exchange for consideration by the Executive Board on a lapse of time basis. If approved, access would be granted to the documents approved by the Board for transmittal.

Proposed Decisions

The following decisions, which may be adopted by a majority of the votes cast, are proposed for adoption by the Executive Board:

Decision I

Decision No. A-9786-(93/20), adopted February 11, 1993, as amended, is hereby amended as follows:

1. The first paragraph of the decision, beginning with the phrase “Staff reports pertaining to” and ending with “EBM/90/106 (7/2/90)” shall be numbered as paragraph 1.
2. Paragraph 1 of the decision shall be amended to read as follows:

“(a) The Managing Director may transmit to international agencies having specialized responsibilities within the Fund’s field of interest the following documents pertaining to common member countries of the Fund and the eligible international organization: (i) staff reports and related documents pertaining to (A) surveillance under Article IV, Section 3(a) and (b), (B) the use of Fund resources, and (C) the Policy Support Instrument and the Policy Coordination Instrument; and (ii) technical assistance reports.

(b) The transmittals described in paragraph 1(a) shall be subject to the reciprocal transmittal of comparable documents of the recipients to the Fund, and on the understanding with the recipients of the documents that the reports will be kept confidential and shall be carried out in accordance with the criteria and procedures set forth in SM/90/120 (6/20/90) and Correction 1 (7/17/90), SM/93/24 (1/28/93), and SM/17/283 (10/26/17), and in the light of the discussion and summing up of EBM/90/105 and EBM/90/106 (7/2/90). In the event

confidentiality or reciprocity is not upheld, the document sharing arrangement with the eligible international organization may be suspended by the Managing Director until the Managing Director is assured that confidentiality or reciprocity will be maintained.”

3. A new paragraph 2 shall be added to read as follows:

“(a) The Managing Director may transmit to the central bank and executive body of an eligible currency union as set forth in the Annex to this decision the following staff reports and related documents pertaining to members of the eligible currency union: (i) surveillance under Article IV, Section 3(a) and (b) including Board discussions on common monetary and exchange rate policies of the eligible currency union; (ii) use of Fund resources; (iii) the Policy Support Instrument and the Policy Coordination Instrument.

(b) The Managing Director may transmit to the central bank and executive body of an eligible currency union as set forth in the Annex to this decision: (i) staff reports and related documents on Fund surveillance under Article IV, Section 3(a) and (b) pertaining to countries whose currencies are included in the basket of currencies that make up the Special Drawing Right; and (ii) the World Economic Outlook, the Global Financial Stability Report and the Fiscal Monitor.

(c) The transmittal of the documents in paragraphs 2(a) and (b) may take place shortly after their issuance to the Executive Board, provided that there is no objection by the member country to whom the document pertains.

(d) The Managing Director may transmit to the central bank and the executive body of the eligible currency union summings up relating to Board discussions on the documents covered under paragraphs 2 (a) and (b) after issuance to the Executive Board provided that there is no objection by the member country to whom the summing up pertains.

(e) The transmittals described in paragraph 2 shall be subject to the reciprocal transmittal of comparable documents of the recipients to the Fund, and on the understanding with the recipients of the documents that the documents will be kept confidential, and shall be carried out in accordance with the criteria and procedures set forth in SM/17/283 (10/26/17). In the event confidentiality or reciprocity is not upheld, the document sharing arrangement with the relevant organization may be suspended by the Managing Director until the Managing Director is assured that confidentiality or reciprocity will be maintained.”

4. A new paragraph 3 shall be added to read as follows:

“Executive Directors concerned may share with the executive body of the eligible currency union informal notes and summaries prepared by Directors’ offices relating to Board discussions for which the executive body of the eligible currency union receives related Board documents as set forth in paragraph 2 (a) and (b) of this decision. Such sharing would be subject to ensuring the safeguarding of the confidentiality of notes and summaries”

5. A new paragraph 4 shall be added to read as follows:

“Nothing in this decision shall be read to discontinue or limit the dissemination of documents to any institution allowed by virtue of another decision of the Board or agreement between the Fund and such institution. In cases where this decision expands the scope of Fund documents to be transmitted or modifies the manner in which such documents are transmitted beyond what is provided for in an existing Board decision or under existing practice, this decision shall prevail over such other decisions and practices.”

6. The second and last paragraph of the decision, beginning with the phrase “In addition,” and ending with “by the member concerned” shall be numbered as paragraph 5.

Annex

The eligible currency unions, and their central banks and executive bodies for the purpose of the decision are: the Euro Area (the European Central Bank and the European Commission); the Eastern Caribbean Currency Union (the “ECCU”) (the Eastern Caribbean Central Bank and the Monetary Council of the ECCU); the Central African Economic and Monetary Union (the “CEMAC”) (the Banque des Etats de l’Afrique Centrale and the Commission of CEMAC); and the West African Economic and Monetary Union (the Banque Centrale des Etats de l’Afrique de l’Ouest and the Commission of WAEMU).

Decision II

1. The Managing Director may transmit to the European Commission the following staff reports and related documents pertaining to members of the European Union: (i) surveillance under Article IV, Section 3(a) and (b); (ii) use of Fund resources; and (iii) the Policy Support Instrument and the Policy Coordination Instrument.

2. The transmittal of the documents as set forth in paragraph 1 of this decision may take place shortly after their issuance to the Executive Board, provided that there is no objection by the member country to whom the document pertains.

3. The Managing Director may transmit to the European Commission summings up relating to Board discussions on the documents covered under paragraph 1 of this decision after issuance to the Executive Board provided that there is no objection by the member country to whom the summing up pertains.

4. Executive Directors concerned may share with the European Commission informal notes and summaries prepared by Directors' offices relating to Board discussions for which the European Commission receives related Board documents as set forth in paragraph 1 of this decision. Such sharing would be subject to ensuring the safeguarding of the confidentiality of notes and summaries.

5. The transmittals described in paragraphs 1 and 3 of this decision shall be subject to the reciprocal transmittal of comparable documents of the recipients to the Fund, and on the

understanding with the recipients of the documents that the documents will be kept confidential, and shall be carried out in accordance with the criteria and procedures set forth in SM/17/283 (10/26/17). Under this decision, in the event confidentiality or reciprocity is not upheld, the document sharing arrangement with the relevant organization may be suspended by the Managing Director until the Managing Director is assured that confidentiality or reciprocity will be maintained.

Annex I. Redlined Version of the Transmittal Policy Decision

1. ~~Staff reports pertaining to: (i) surveillance under Article IV, Section 3(a) and (b), and (ii) the use of Fund resources by members; and (iii) technical assistance reports may be transmitted by t(a) The Managing Director may transmit to international agencies having specialized responsibilities within the Fund’s field of interest the following documents pertaining to common member countries of the Fund and the eligible international organization: (i) staff reports and related documents pertaining to (A) surveillance under Article IV, Section 3(a) and (b), (B) the use of Fund resources, and (C) the Policy Support Instrument and the Policy Coordination Instrument; and (ii) technical assistance reports.~~

~~(b) The transmittals described in paragraph 1(a) shall be~~ subject to the reciprocal transmittal of comparable documents of the recipients to the Fund, and on the understanding with the recipients of the documents that the reports will be kept confidential ~~and Such transmittals and exchanges of documents~~ shall be carried out in accordance with the criteria ~~and procedures~~ set forth in SM/90/120 (6/20/90) and Correction 1 (7/17/90), SM/93/24 (1/28/93), ~~and SM/17/283 (10/26/17)~~, and in the light of the discussion and summing up of EBM/90/105 and EBM/90/106 (7/2/90). ~~In the event confidentiality or reciprocity is not upheld, the document sharing arrangement with the eligible international organization may be suspended by the Managing Director until the Managing Director is assured that confidentiality or reciprocity will be maintained.~~
2. ~~(a) The Managing Director may transmit to the central bank and executive body of an eligible currency union as set forth in the Annex to this decision the following staff reports~~

and related documents pertaining to members of the eligible currency union: (i) surveillance under Article IV, Section 3(a) and (b) including Board discussions on common monetary and exchange rate policies of the eligible currency union; (ii) use of Fund resources; (iii) the Policy Support Instrument and the Policy Coordination Instrument.

(b) The Managing Director may transmit to the central bank and executive body of an eligible currency union as set forth in the Annex to this decision: (i) staff reports and related documents on Fund surveillance under Article IV, Section 3(a) and (b) pertaining to countries whose currencies are included in the basket of currencies that make up the Special Drawing Right; and (ii) the World Economic Outlook, the Global Financial Stability Report and the Fiscal Monitor.

(c) The transmittal of the documents in paragraphs 2(a) and (b) may take place shortly after their issuance to the Executive Board, provided that there is no objection by the member country to whom the document pertains.

(d) The Managing Director may transmit to the central bank and the executive body of the eligible currency union summings up relating to Board discussions on the documents covered under paragraphs 2 (a) and (b) after issuance to the Executive Board provided that there is no objection by the member country to whom the summing up pertains.

(e) The transmittals described in paragraph 2 shall be subject to the reciprocal transmittal of comparable documents of the recipients to the Fund, and on the understanding with the recipients of the documents that the documents will be kept confidential, and shall be

carried out in accordance with the criteria and procedures set forth in SM/17/283 (10/26/17).

In the event confidentiality or reciprocity is not upheld, the document sharing arrangement with the relevant organization may be suspended by the Managing Director until the Managing Director is assured that confidentiality or reciprocity will be maintained.

3. Executive Directors concerned may share with the executive body of the eligible currency union informal notes and summaries prepared by Directors' offices relating to Board discussions for which the executive body of the eligible currency union receives related Board documents as set forth in paragraph 2 (a) and (b) of this decision. Such sharing would be subject to ensuring the safeguarding of the confidentiality of notes and summaries.
4. Nothing in this decision shall be read to discontinue or limit the dissemination of documents to any institution allowed by virtue of another decision of the Board or agreement between the Fund and such institution. In cases where this decision expands the scope of Fund documents to be transmitted or modifies the manner in which such documents are transmitted beyond what is provided for in an existing Board decision or under existing practice, this decision shall prevail over such other decisions and practices.
5. In addition, documents referred to in paragraph 11 of the Agreement between the Fund and the World Trade Organization may be transmitted to the World Trade Organization Secretariat on the sixth working day after their circulation to Executive Directors, provided that there is no objection by the member concerned.