

ASSEMBLY - 1st session

SUMMARY RECORD OF THE SECOND PLENARY MEETING

held at IMCO Headquarters, 104 Piccadilly, London W.1,
on Monday, 13 November 1978 at 2.30 p.m.

Chairman:	Mr. J. BREDHOLT (Denmark)
Secretary-General of IMCO:	Mr. C.P. SRIVASTAVA
Secretary:	Mr. T.S. BUSHIA (IMCO Secretariat)

A list of participants is given in OPCF/A.I/INF.1

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AGENDA ITEM 3 - DETERMINATION OF RULES OF PROCEDURE
(OPCF/A.I/5 and Corr.1) (continued)

The CHAIRMAN invited participants to continue with the general discussion of the draft rules of procedure contained in document OPCF/A.I/5, prior to referring them to the small Working Party which it had been agreed to establish.

Rule 9 - Credentials (continued)

The CHAIRMAN said that there had been two speakers in favour of Alternative A and two in favour of Alternative B.

Rule 15 - Agenda

The CHAIRMAN, referring to the word in square brackets, suggested that the matter be referred to the Working Party, as in the case of Rule 2 which involved a similar problem.

Ms BRUZELIUS (Norway) said that the word "normally" in the second line provided an adequate safeguard to cover the case of an extraordinary session of the Assembly where the Director and the Secretariat might not be able to provide all the documents within 30 days.

The CHAIRMAN said that the remarks of the Norwegian representative would be transmitted to the Working Party.

Rule 29 - Languages

The CHAIRMAN, referring to the words in square brackets, asked if participants agreed that the official and working languages should be English and French.

It was so decided.

Rule 31 - Languages

The CHAIRMAN drew attention to the words "and summary records" in square brackets.

Ms BRUZELIUS (Norway) said that while it was useful for representatives to be able to refer to the summary records in their home countries, she would like information on the cost of preparing and issuing such records.

The SECRETARY-GENERAL of IMCO said that he would need a little time to produce the information requested. He pointed out, however, that the trend in IMCO was to dispense with summary records. The only two bodies for which they were now prepared were the Assembly and the Council.

Rule 39 - Voting

Mr. HALL (United Kingdom) asked for clarification of the relevance of the words: "If the votes are equally divided the election shall be deferred until the ensuing meeting" If, as he suspected, the provision did not apply to the election of the Director - and it would not be very satisfactory if they did - that should be made clear.

The CHAIRMAN replied that the provision referred to the ensuing meeting, not the ensuing session of the Assembly. In any case, the rules for the election of the Director were contained in Article 33 of the Convention.

In the absence of further comment on the draft rules of procedure, he asked if participants agreed to establish a small working party, consisting of the representatives of France, Japan, Sweden and the United Kingdom, to consider the draft rules of procedure, in particular the problems discussed under Rule 2 (thirty days' notice), Rule 4 (observers), Rule 5 (inter-governmental and non-governmental organizations), Rule 9 (credentials), Rule 15 (thirty days) and Rule 31 (summary records). The relevant comments would be transmitted to the Working Party.

It was so decided.

After a brief procedural discussion, in which suggestions were made by Mr. NILSSON (Sweden) and Mr. HALL (United Kingdom), the CHAIRMAN said that the meeting would conclude early, so that the Working Party could meet for the rest of the afternoon, in order to be able to report the following morning.

AGENDA ITEM 8 - ADOPTION OF STAFF REGULATIONS (OPCF/A.I/2)

The SECRETARY-GENERAL of IMCO introducing the draft staff regulations in document OPCF/A.I/2, said that, on the basis of the resolution adopted by the 1971 Conference, the Legal Committee of IMCO had considered a first draft and

a revised draft respectively at its twenty-first and twenty-fourth sessions in 1974. He had prepared the present draft, which kept as closely as possible to the IMCO Staff Regulations, as a result of the Legal Committee's discussions.

The CHAIRMAN suggested that, as in the case of the preceding item, the Assembly should have a short general debate on the draft regulations and then submit them to a small working party. He invited participants to consider them in sequence.

Mr. HALL (United Kingdom) suggested that the Assembly should consider the draft regulations and any possible improvements, but should approve them only provisionally, leaving final action to the second session, by which time the Director would have considered all the proposals. He was not in favour of going into too much detail or tying the Director's hands unduly.

Mr. HERDER (Federal Republic of Germany) endorsed the views of the United Kingdom representative. He also stressed that the staff regulations should be kept as closely as possible in line with those of the United Nations, so that member countries of the various organizations did not have to deal with differing sets of regulations.

Mr. NILSSON (Sweden) said that he too agreed with the United Kingdom representative. With regard to the comment of the representative of the Federal Republic of Germany, while he recognized the value of consistency, it was important to take account of differences between organizations. The Fund was a special organization and he hoped that it would remain small. Perhaps the draft was a little too detailed for such a small organization - for example on the question of disciplinary action.

The CHAIRMAN suggested that, in accordance with the United Kingdom proposal, the Assembly should go through the regulations, take provisional decisions and postpone final action until the second session, to which the new Director would submit proposals.

It was so decided.

Regulation 1
Regulation 2
Regulation 3

Regulations 1, 2 and 3 were approved provisionally.

Regulation 4

Mr. HALL (United Kingdom) proposed that the words "so far as is necessary" be inserted after the word "except" in the fourth line, in order to make the provision more explicit.

Regulation 4, thus amended, was approved provisionally.

Regulation 5
Regulation 6
Regulation 7

Regulations 5, 6 and 7 were approved provisionally.

Regulation 8

Mr. NAKAYAMA (Japan) proposed that the words in square brackets be retained.

Mr. DOUAY (France) said that the appointment of staff concerned the body responsible for deciding the budget. The Executive Committee should therefore not be involved unless it were assigned functions relating to the budget.

Ms BRUZELIUS (Norway) agreed with the representative of France. The budget was decided by the Assembly - or by the Executive Committee if given special powers. However, the Assembly and the Executive Committee might choose to stipulate limits other than budgetary ones, such as type of staff or geographical distribution.

Mr. HERBER (Federal Republic of Germany) agreed with the representatives of Japan and Norway. It would be better to retain the reference to the Executive Committee. If the Assembly's powers were delegated to the Executive Committee, both bodies should be mentioned.

Mr. HALL (United Kingdom) suggested that the reference to the Executive Committee be retained, with the addition of the words "as appropriate". That would meet the point made by the representative of France - which he fully appreciated - without conflicting with the Japanese proposal.

Mr. DOUAY (France) concurred.

Regulation 8, thus amended, was approved provisionally.

Regulation 9

Regulation 9 was approved provisionally.

Regulation 10

The SECRETARY-GENERAL of IMCO, in answer to a question about the need for a reference to a wide geographical basis in providing for the staff of so small an organization, said that the Secretariat might be small, but provision for equitable geographical distribution was a matter of principle and in accordance with United Nations procedure. It might be preferable in that light to retain the words.

Regulation 10 was approved provisionally.

Regulation 11

Mr. NAKAYAMA (Japan) proposed that the words in square brackets should be deleted as being unnecessary.

Mr. DOUAY (France) supported the proposal.

The SECRETARY-GENERAL of IMCO explained that the provision had been included because it was also to be found in the United Nations Staff Regulations. Its deletion would preclude the possibility of giving a permanent contract to a person who was vital to the Fund.

Mr. HALL (United Kingdom) endorsed the explanation of the Secretary-General of IMCO. He suggested, however, that even if the provision were deleted, the word "normally" in the first line provided a loophole to cover the possibility of a permanent appointment in the interests of the Fund.

Ms BRUZELIUS (Norway) said that there was nothing against deleting the sentence for the time being. The Assembly was not drafting a convention; it was merely preparing a text for submission to a later session for comment. She appreciated the point made by the Secretary-General of IMCO, but it was unlikely that there would be any question of a permanent appointment for the first 4 or 5 years of the Fund's existence. The provision could always be reinstated later if necessary.

Mr. DOUAY (France) supported the views of the Secretary-General of IMCO regarding Regulation 10. Even though the Fund would have a very small number of staff, the principle of equitable geographical distribution should

nevertheless be followed in recruitment. He also supported the proposal to delete the last sentence of Regulation 11. It was not appropriate for the Fund, which was a small organization employing a limited number of staff, to envisage permanent appointments such as were customary in large organizations of the United Nations system. It would always be possible, should the Fund be found to require the services of a certain staff member on a permanent basis, for the regulation to be amended.

Mr. STALIO (Yugoslavia) supported the views of the French and Norwegian delegates.

The CHAIRMAN suggested that the Assembly should agree to the deletion of the last sentence between square brackets on a provisional basis, and reconsider the question at the next Assembly.

It was so decided.

Regulation 11 was provisionally approved.

Regulation 12

Regulation 12 was provisionally approved.

Regulation 13

Mr. NAKAYAMA (Japan) said that of the two alternative phrases between square brackets, he was inclined to prefer the second ("approved by the Assembly or the Executive Committee"), since it was to be assumed that the Assembly and the Executive Committee would in any case take into account the standards applied in the United Nations system.

Mr. DOUAY (France) supported that view. The Fund should be allowed a certain degree of flexibility; since it was a small body, there was no need for it to be bound by the standards applied by larger organizations in the United Nations system.

Mr. NILSSON (Sweden), Mr. GANTEN (Federal Republic of Germany), and Mr. STALIO (Yugoslavia) supported the previous speakers and favoured the deletion of the first phrase between square brackets.

With that amendment, Regulation 13 was provisionally approved.

Regulation 14

Mr. HALL (United Kingdom) proposed that the first phrase between square brackets should be deleted and the second retained. The concept of having salaries and allowances conform to those applied in the United Nations system was a sensible one, and was in any case qualified by the phrase "whenever appropriate".

Mr. GANTEN (Federal Republic of Germany) supported that proposal.

With that amendment, Regulation 14 was provisionally approved.

Regulation 15Regulation 16

Regulations 15 and 16 were provisionally approved.

Regulation 17

Regulation 17 was provisionally approved, with the deletion of the square brackets around the number "60".

Regulation 18

Regulation 18 was provisionally approved.

Regulation 19

Mr. BUSH (IMCO Secretariat) said that in view of the decision to delete the last sentence of Regulation 11, it would seem that there should be a consequential amendment deleting the words set out between square brackets in Regulation 19. The remaining words in the regulation would ensure the retention of the principle of termination indemnities if the Assembly wished it to apply.

Ms BRUZELIUS (Norway) said that as she understood it what had been decided in regard to Regulation 11 was to delete the reference to possible appointments on a permanent basis, but to retain the possibility of appointments on a fixed-term basis. In view of that decision it would seem advisable to retain the first sentence between square brackets and to delete the second phrase.

The SECRETARY-GENERAL of IMCO agreed that since permanent appointments were not now envisaged the second phrase between square brackets should be deleted. He also proposed that that first sentence between square brackets should be deleted.

Mr. HALL (United Kingdom) supported that proposal.

The SECRETARY-GENERAL of IMCO, with reference to Regulations 19 and 24, said that the practice of IMCO was for the Assembly to lay down general regulations, the details of which were then given in rules, the advantage being that the rules could be more easily amended. The Fund Assembly was merely being asked at the present stage to approve the general regulations. Proposals for detailed rules would be made by the Director on appointment and submitted to the Assembly for approval.

Mr. HALL (United Kingdom) said that it was not impossible that members of the Secretariat might become entitled to compensation during the interim period before the next session of the Assembly and some provision would have to be made for that eventuality. Since IMCO procedures were presumably based on generally recognized United Nations practices, he considered that something similar could reasonably be adopted by the Assembly at its present session.

The SECRETARY-GENERAL of IMCO said that he would prepare a note on current IMCO practice in that regard for submission to the Assembly and suggested that approval of Regulations 19 and 24 be deferred pending submission of the note.

It was so decided.

Regulation 20

Regulation 20 was provisionally approved, with the deletion of the square brackets around the word "six".

Regulations 21 and 22

Regulations 21 and 22 were provisionally approved.

Regulation 23

Mr. NILSSON (Sweden) wondered whether in view of the small scale of the Fund the operation of a provident fund would be practicable.

The SECRETARY-GENERAL of IMCO pointed out that whereas a pension fund would not be practicable for a small number of staff members, a provident fund might well be feasible.

Mr. NILSSON (Sweden) urged that members should avoid introducing too much rigidity into regulations governing social security provision for staff members. It would be better to leave it to the Director to find the cheapest and the most efficient system and to submit it for approval at a later stage.

Mr. DOUAY (France) did not think that a provident fund would be justified for such a small number of staff. The second sentence of Regulation 24 concerning health and accident insurance made sufficient social security provision for staff, and there was no need for a special provident fund to be set up. He proposed that Regulation 23 be deleted.

Mr. HERBER (Federal Republic of Germany) supported that proposal. It would be difficult, if Regulation 25 were adopted, to decide how to deal with money that might have accumulated in the provident fund before the next meeting of the Assembly.

The CHAIRMAN suggested that the Assembly delete Regulation 23, on the understanding that the Director would be asked to investigate the question and report back to the next Assembly.

It was so decided.

Regulation 24

Ms BRUZELIUS (Norway) said that she could agree to the principle underlying the regulation but did not think it could be approved before the annex specifying the terms and conditions of compensation had been considered. She suggested that the whole regulation should be placed within square brackets, since as it stood it was meaningless without the annex.

Mr. DOUAY (France) supported that view. He pointed out that the same consideration applied to Regulation 19.

The CHAIRMAN suggested that further discussion of Regulation 24 be deferred as had been decided in the case of Regulation 19.

It was so decided.

Regulation 25

Ms BRUZELIUS (Norway) felt that Regulation 25, unlike Regulations 26, 27 and 28, laid down a generally accepted democratic principle giving staff members certain rights. She would therefore like to see it retained.

Mr. DOUAY (France) said that there was no objection to the statement of principle in the first part of Regulation 25, but the final phrase was quite unacceptable. In a small and flexible organization, no such machinery was required between the Director and his staff.

The CHAIRMAN invited the Assembly to approve Regulation 25, subject to deletion of the final phrase.

Regulation 25, as amended, was provisionally approved.

Regulations 26 to 28

Mr. NAKAYAMA (Japan) supported the proposal by the representatives of the United Kingdom and Sweden that Regulations 26, 27 and 28 should be deleted for the time being.

Regulations 26 to 28 were deleted.

Regulation 29

Regulation 29 was provisionally approved.

Regulation 30

Mr. DOUAY (France) said that he was not clear about the distinction in Regulation 30 between staff regulations, staff rules and administrative instructions.

Mr. ZIMMERLI (IMCO Secretariat) said that the IMCO Staff Regulations were supplemented by staff rules drawn up by the Secretary-General of IMCO as executive head of the Organization. In the present case it was foreseen that the rules would be drawn up by the Director on the basis of the staff regulations and reported to the Assembly.

Mr. DOUAY (France) said that Article 26 of the Convention clearly laid down the functions of the Executive Committee and Article 29 the powers of the Director. The present Regulation 30, which empowered the Director to issue staff rules and administrative instructions, was not consistent with those Articles.

The SECRETARY-GENERAL of IMCO said that he wished to make it clear that the staff rules, issued by the Director in implementation of the staff regulations, would of course be submitted to the Assembly or the Executive Committee for approval and, if not approved, they would be suitably amended.

Mr. HERBER (Federal Republic of Germany) suggested that the words "subject to approval by the Assembly" should be specifically included.

Mr. NILSSON (Sweden) said that, whatever the position in regard to staff rules, approval of administrative instructions by the Executive Committee hardly appeared necessary or desirable.

Ms BRUZELIUS (Norway), while appreciating the concern of the representative of France to keep a proper measure of control over the Director, said that she did not believe it was practical for the Executive Committee to issue rules for the day-to-day administration of the organization.

Mr. HALL (United Kingdom) said that the Director would in any case require the authority to act during the interim period before the next session of the Assembly.

Mr. DOUAY (France) said that he fully accepted the situation as described by the Secretary-General of IMCO but that situation was not reflected in Regulation 30 in its present form.

Mr. HALL (United Kingdom) proposed that the second sentence of Regulation 30 should be amended to read as follows:

"These shall be subject to the confirmation of the next session of the Assembly or Executive Committee, as appropriate."

Regulation 30, as amended, was provisionally approved.

Regulation 31

Ms BRUZELIUS (Norway) said that, if some future disaster fully occupied the attention of the Assembly at its next session, the validity of the staff regulations would presumably be extended.

Regulation 31 was provisionally approved.

AGENDA ITEM 3 - DETERMINATION OF RULES OF PROCEDURE (OPCF/A.I/5 and Corr.1)(continued)

The SECRETARY-GENERAL of IMCO in reply to an earlier question, said that the general costs of a one week meeting would be US \$13,000. The additional costs for the provision of complete summary records would be between US \$5,000 and US \$6,000.

Mr. OWADA (Japan) said that there appeared to be an inconsistency between Rule 2 of the Rules of Procedure and Article 19 of the Convention and there might be other inconsistencies.

The CHAIRMAN said that he would ask the Working Group to bring any such inconsistencies to the notice of the Assembly.

The meeting rose at 4.55 p.m.