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TELECONFERENCE

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PROCEEDINGS

MS. GRIESGRABER: -- Coalition, and I want to thank you all for being here this morning -- or, as in the case of Central Asia, this evening. I am very impressed that you are spending your early evening with us here in Washington. But I hope you appreciate -- I have only had one cup of coffee, so I am making a sacrifice for you as well.

So, what I'd like to do is have each person introduce himself so we know who we're looking at, and then we will have time to have each person speak very briefly about your experience and exposure to the IMF. After that round of conversations, we will then go to specifics of the paper that was distributed on civil society -- positions on IMF governance reform. You do not need to be limited to the agenda. You are free to introduce the topics you feel are important. You do not have to agree with your colleagues in the room or in the other city or with us or with me. We are civil society, which means we are the wellspring of diverse opinions, and I'm sure we will all be represented.
So, with that, I will take the liberty of introducing the -- or having the people in Washington introduce themselves, then I'll ask Almaty to introduce themselves and then Bishkek.

To my right --

MS. LEWIS: Sarah Lewis of Tax Justice Network, USA.

MR. LOMBARDI: Domenico Lombardi from the Oxford Institute for Economic Policy.

MS. GRIESGRABER: Let me note that Domenico Lombardi will be the author of the longer civil society paper. Domenico is -- has extended experience in both the World Bank and the IMF where he has worked as a senior advisor to executive directors in each institution. He is a co-author with several papers with Ngaire Woods of Oxford Global Economic Governance Program. So, he is a master author. And besides that, I need a week of vacation, so poor Domenico is going to be writing a paper while I'm vacationing.

Okay, Almaty, could you please introduce yourselves? And you may go a little longer than we
did. Just say a little bit of experience that you have with the IMF. You will speak Russian, and there'll be a slight lag, and we will hear it in English.

MR. KAIRAKBAY: Hello, Washington. Hello, Bishkek. We would like to introduce ourselves. My name is Bakhyt Kairakbay. I am a consultant of Economic Strategies Institutes for Central Asia. With regard to the issues under discussion, I would like to say that since I have been working in the government for many years, I was a member of the Accounts Chamber, which is responsible for monitoring the education of the state budget. The fiscal issues are very familiar to me. From 2002 to 2005 I was there, and from '05 to '09 I was advisor to a member of parliament on economic issues, and we are now engaged in analysis of economic financial situation in Kazakhstan, and we are also publishing a journal that deals with these issues.

Regarding the IMF, in the 1990s I had very good contacts and cooperation both with the
International Monetary Fund in the early '90s, as well as the World Bank. You may have heard about the Economic Development Institute of the World Bank, the (inaudible) and IMF Institute. We have held several seminars, like summer schools and winter schools, for financial stabilization and the fundamentals of transition for transition economies. We have trained many government officials at that time when we were introducing the market economy in our countries, and on that I'd like to give the floor to my colleagues.

MR. BERENSTEIN: Good morning, Bishkek. Good morning, Washington. My name is Kanat Berentaev. I have worked for many years in the Institute of Economic Research attached to the Minister of the Economy of Kazakhstan, and I now represent the Center of Analysis of Social Issues -- that is an independent NGO -- and the Institute of Political Decision Making. I deal with microeconomic issues. I am a member of the Council of Economic Advisors to the Government. My experience of direct interaction with IMF is quite limited. However, our center was engaged in
monitoring oil revenues, as well as fiscal policy, and we also publish a quarterly publication where we put economic projections for Kazakhstan and have some experience of macro modeling, macroeconomic modeling, and we have some ideas about the underlying causes of the current financial crisis and the role of the IFIs, including the IMF and the World Bank in the development of this crisis. We are now coming up with certain recipes, if I may say so, that would -- could be useful to prevent future crises.

MS. GRIESGRABER: Thank you.

MR. BERENTAEV: I suspect -- I suspect that the measures that are being undertaken by the IMF and the World Bank to reform themselves in principle will not be able to radically deal with the issues. However, I don't think this is a topic for today's discussion. Maybe sometime later, if you wish, we could discuss this issue more. Thank you.

MR. OSPANOV: My name is Kanat Ospanov. I would like to also greet Washington and Bishkek. I am also a consultant in the Institute of Economic
Strategies for Central Asia. Prior to that I spent seven years working as a -- in the government as a civil servant, including the Agency for Strategic Planning of Kazakhstan. In 1998, 1999 this agency served basically the functions of the Minister of the Economy, and we were interacting with the IMF, and we were working on the programs at the time that had to do with the IMF loans that were being provided then to this country. So, following that, it was -- we dealt with the IMF through our analytical work, and at present we also deal with these topics and the situation that has to do with the current financial crisis. Thank you very much.

MS. GRIESGRABER: Thank you Almaty.

For Bishkek may I ask Chorobek, our convener, first to thank you and then to ask you to coordinate the introductions there in Bishkek?

By the way, I want to inform you that the video conference is being audiotaped so that we have a record. This is mainly for the benefit of Dr. Lombardi, who will be writing it, and we want to make
sure that as much of the input will -- can be taken into consideration in the paper. Also, as you may be aware, there is a website dedicated to civil society input on IMF governance reform. The transcripts will be posted there as well. So, we are not censoring you in any way. But know that you -- this is not a conversation in confidence. It's not a secret or off the record. It's public. This is like a public conversation, and you are welcome to say what you want. But you do need to know you are being recorded. I'm obligated by U.S. law, I think, to tell you that.

Okay, Chorobek, thank you again.

MR. IMASHEV: Thank you Jo Marie. I welcome -- I -- hello, Washington. My colleagues next to me will now introduced themselves. There are two people who are on their way. They will be coming -- joining us shortly. This is the Director of the Soros Foundation Office and the Director of Bishkek Business Club. Now I'd like to give the floor to my colleagues so that they can introduce themselves. Ladies first.
MS. SEDAHMATOVA: Hello dear colleagues. My name is Chinara Sedahmatova. Today I head the Fund for Spiritual Revival of the Kyrgyz Nation, and in this capacity I felt that it was important to be part of the anti-HIPC movement as a leader of this foundation. So today I position myself as a representative of this foundation for the revival of the spiritual --

I apologize, I -- are we not speaking too fast -- I'm talking to the interpreter. So, we can continue at this pace.

MR. ELEBAEV: Hello, Almaty. Good evening, Almaty. Good morning, Washington. My name is Nurbek Elebaev. I am the Chairman of the Board of the Kyrgyz Stock Exchange. I Represent the financial sector. I am quite interested in our today's dialog, and in this dialog I would like to talk about my vision of the issues that are involved in regulating the financial -- the global financial market and our domestic financial market. Thank you.
MR. IMASHEV: My name is Chorobek Imashev. I, again, welcome my colleagues whom I have seen many times. My career has been directly linked with the International Monetary Fund. In the early '90s I spent some time there, and having been a civil servant of the government I also worked on implementing IMF programs in Kyrgyzstan.

MR. UMETALIEV: Hello. My name Emil Umetaliev. I'm an entrepreneur, and I represent broad circles of small and medium businesses of our country. Throughout the 19 years that I have been in business, I have taken part in setting up various professional and business associations. I am an active member of the process of building business and investment climate in our country.

MR. ABAKIROV: Ladies and gentlemen, my name is Aziz Abakirov. I represent the Kyrgyz Association of Software Developers, the main goals of the development of this industry.

MR. AKILEEV: My name is Azamat Akileev. I am a professor in the MBA program at the American
University of Central Asia, and I also am a director of a private company. We have recently started a project looking at fiscal transparency and providing informational space for fiscal transparency funded by the Soros Foundation, and I'm very excited to be here.

MS. GRIESSGRABER: Thank you very much, Bishkek. Is there someone else? Excuse me --

MR. IMASHEV: Yes, two more people are on their way, but they will join us a little bit later.

MS. GRIESSGRABER: Okay, when they come we will take time to let them introduce themselves.

We have two more people here in Washington in fact. First let me introduce Silvia Zucchini from the External Relations. She's the person who's closest to the screen, and she has been doing all of the logistical work and coordinating all the technical centers.

My colleague, Jamie Baker, who is back at the office working, is the one who's done all the inviting, so Jamie and Silvia have just been an indomitable team, and we so appreciate them, and at
some time we're going to throw them a party. But no drinks, no alcohol, because Silvia, a good Italian, does not drink wine. We don't understand her, but -- we don't understand but we love her anyway.

And then also let me have my other colleague introduce herself. Go ahead.

MS. KUMAR: Hi, my name is Seema Kumar. I'm working with the World Resources Institute, an environmental think tank.

MS. GRIESEGRABER: And one of her bosses is on my board of directors.

Okay, with that, if you would like to -- if anyone would like to expand on their experience with the IMF, this would be the time to do it, and since many of you have professional experience with the Fund, I'd like to more or less relate to item 2 on the Agenda where there has been discussion on what is the purpose of the Fund in today's global economy. Clearly because of the global crisis it's been -- that question has been elevated, but also if any of you have a chance to look at the recent IMF Board
discussion that was posted on their website, it talks -- they had a discussion on July 21st about IMF governance reform, and their -- they were wrestling with what is the core function of the IMF, and I am suggesting that there may be three functions that seem to be evident to me, as well as maybe bumping into each other.

One is short-term balance of payments, trade imbalances, as the original function of the IMF and the purpose that under-girds the short-term conditionalities or the emphasis on short-term balance of payments, you know, balancing out. And if that is your priority, everything else falls into place -- sometimes called the Polak model, after the person who designed this many years ago. His name is Jacques Polak, P-o-l-a-k.

The second is that the IMF is increasingly in the work of low-income countries, and we saw a recent statement by the board where they have taken some new decisions on funding for low-income countries, and from my perspective, again speaking as
an individual, it seems to me that the time frame here is much longer term as opposed to short-term balance of payments, and it seems to require different skill sets.

And the third is the role of the IMF that emerged or was articulated at the G-20 financial summit -- G-20 summits both in Washington and then in London, and that is a role in the regulation of the global financial system, as well as working with the Financial Stability Board on the regulation of finances. So, that's a new informal mandate, if you will, although it has not been formalized inside the Fund. When the majority of your major shareholders get together and say something about what you should do, you usually listen.

So, if anyone would like to speak to that, I'd welcome your input.

SPEAKER: Well, if I may, Almaty will start.

As regards these three issues or items on our agenda, I'd say that the short-term corrections of the BOT problems are obvious that these are priority.
Undoubtedly, that's one of the main functions to overcome -- such problems as to the general issues of the global financial crisis that is.

Then the task or objective that has been (inaudible) is not the main one in my view, because it seems that you are trying to address the symptoms rather than the underlying problem of "sickness," because these are the symptoms of the deflection of the shortcomings of the global financial system. What I mean -- what I mean here -- I mean that for instance at present now the IMF may have an impact only to the extent of 5 to 10 percent of the financial turnover, because if there is an enormous market of derivatives, financial derivatives, that in no way are subject to the inference of these financial international architecture -- if you were to look as to the source of the BOT problems or imbalances, please look that any national economy -- for instance, you are providing assistance to our country's economy, but any economy's assessment of relation depends on the evaluation of real (inaudible) tangible material.
assets, which is contingent on the state or condition of the international financial markets, depending on the (inaudible) if we look at grains, oil, and so on. So, if you see a bubble emerging, then these price (inaudible) are distorted or the relations are distorted.

MS. GRIESGRABER: Thank you.

Would anyone else --

SPEAKER: Sorry, I understand that Bishkek also wants to say something. That's why I stopped.

MS. GRIESGRABER: I have a request. Please, when you speak, please repeat your name. This is for the benefit of the tape so that the poor people who have to transcribe all of this two hours of conversation will be clear on who is speaking, okay? Thank you.

Go ahead, Bishkek.

MR. KAIRAKBAY: Well, my name is Kairakbay Bakhyt -- Kairakbay Bakhyt, and I'm the consultant of the Economic Strategies Institute.
Here I am meant to say that this issue related to the third item of your agenda that was discussed at the summit means that one needs to envisage a model that would at least mitigate the virtual -- of the virtual financial market -- the impact on the foundation of real tangible assets of any country, so that would also facilitate or make it easier the IMF's work. Of course, it is a very difficult issue to tackle obviously, because back in 1980, (inaudible), such as a very basic thing to do, which all advanced economists should have done -- in the transactional tax, that is -- which would have greatly alleviated the tension in the financial markets.

However, now any measure -- I would suggest a very simple approach one could study that talks a process and address the issue who could simply write them off, but that would mean that 99 zero percent of the (inaudible) would be written off. But subjects in the -- the participants in the investment market would
go broke -- would be broke, would fail. That, of course, is not a practical approach.

          I would say that the financial investment instruments are generals and the real trade flows should be somewhat put apart, so a real valuation and fair valuation would be possible for any country. Then the IMF would be able to receive real information -- accurate information -- the state of a new economy and provide assistance -- immediate assistance that is necessary with a view to address issues of, say, related to corruption. And this is correlated or is linked to the second item of the agenda, i.e., assistance for low-income countries, because these -- in this case, the Fund program would be effective in the sense they would provide the starting points for growth for LICs with a possibility to provide a framework for the future growth. Thank you. That's what I wanted to say in a nutshell.

            MS. GRIESSGRABER: Thank you very much.
Someone in Bishkek wish to speak? Just in general on the -- as you're seeing the emerging role of the IMF.

Okay. Well, you're very modest.

SPEAKER: No, it's just a technical issue. We will just -- you just couldn't hear us.

I would like to suggest to proceed maybe in a more orderly fashion, because the issue of a financial crisis is of concern to millions of people, and government and non-government organizations are concerned, so we could spend a lot of time just sharing with you our advice, recommendations. We would like to use this opportunity to discuss what we feel, what we experience, what the transition economists feel, experience.

As to the reasons of sources of the crisis that struck, I see that a week or two weeks ago the Fund completed its consultations, article for consultations with the United States where the future world financial architecture was detailed and the sources of the current crisis were also touched upon.
So, we would like to touch upon the items that you
sent to us -- of the agenda, that is.

MS. GRIESGRABER: That's fine.

SPEAKER: The first item, the evaluation of
the transparency of the participation and the
decision-making issue based on quotas -- I would like
to link this issue with the issue of the
conditionality of the Fund's assistance lending and
programs in transition economies and developing
countries or any country that needs its assistance,
what in English you refer to as conditionality.

In this regard and based on the Central-
Asian experience, I would like to quote an example
that for a fairly long time the roughly 20-year
experience of having a dialog with the IMF, the
Central-Asian countries can remember that the Fund's
mission was at times were short -- near-sighted or
short-sighted. They were guided by the document that
was written or authored in early '60s by Jacques Polak
that Jo Marie mentioned earlier, and the macroeconomic
stability. Of course one has to give credit to the
fact that this objective was met, but at what price -- at what cost -- and what implications it had for certain sectors and in the economy in general for some countries. It is a separate issue that would also deserve some attention.

MS. GRIESEGRABER: Thank you very much.

Did I -- were you finished speaking? I'm sorry if I cut you off.

SPEAKER: I just wanted to give the floor to the next speaker at our end.

MS. GRIESEGRABER: Your name please.

MR. ELEBAEV: Nurbek Elebaev. I -- it is of -- (inaudible) presented financial sector of our country, it is of utmost importance to us as to how operational and how effective, how fast the assistance program would be developed and implemented, that is from the Fund, for developing countries and for the emerging markets. It is no secret that the implications of the current financial crisis are felt more severely by the countries that are -- that have now joined en masse if my (inaudible) the global
financial markets and the globalization and the national markets were not strong enough to withstand the strong blow.

I think it would be helpful now to discuss another issue, that is, how this assistance program -- the Fund assistance program -- would focus on the emerging markets in developing countries in this (inaudible) but -- and not only in the sense of supporting the fiscal deficit or the addressing the BOT issues.

It's clear that in our country, for instance, we unfortunately have not felt yet any assistance neither from the IMF nor from the World Bank. For instance, the stock market and the financial market in our country and Kyrgyzstan perhaps didn't feel such a strong blow as in neighboring Kazakhstan, because our market is at a more embryonic stage but maybe it all exacerbates our development in the future, our situation. In this regard, we would wish then the Fund's assistance would be taking into
account a defense base the stage that our financial markets are at as to the stock market.

In our country, unfortunately we until now do not have negotiable government securities, and I think it is a shortcoming, and we could also say that the Fund also has something to do with that. To be more critical, even the last mention of the Fund that visited Bishkek was opposed to the government securities becoming negotiable and feel it traded in our market.

I, as a specialist and financier, do not understand this position of such an important IFI as the Fund. For the moment, no, then the International Monetary Fund to agree to extend focuses on the interaction with the countries, and unfortunately it is not working on such an important aspect as the regional integration -- for instance, the Central-Asian countries or states' integration.

We have a common market of sorts which has a common process. For instance, if this market feels the energy crisis, they water supply issues which are
related to lower demand on Kyrgyzstan depends on neighboring markets as Kazakhstan, Uzbekistan, and Russia; and here it could be helpful to have regional projects that would encompass several countries that are interdependent. This is the second aspect of the possible IMF involvement.

There is another important aspect; that is, a change in the financial architecture (inaudible) the greater influence of few new emerging countries that are now world lenders -- that is, China, Russia, Saudi Arabia, Korea. It seems that a certain review or revision is needed as to what is these countries' influence and input into the development of the IMF's policies.

We, as a small country that has a 1038 votes -- and we are a member of the country that is represented by an executive director -- we are a constituency that is a member of a constituency, so we cannot have an impact on the formulation and the implementation of the Fund's policies. But we would like to say that the civil society influence --input
on business community should be strengthened and expanded as soon as possible. Unfortunately, all the missions that visit our countries mainly are in contact with the authorities. Only once we had an opportunity to meet our mission chief, and even then we were discussing the securities and their introduction to the market. I think that meetings with other business associations in civil society do not take place. At least that is my impression. That's what I would have liked to say anything else, that -- of our dialogue and maybe even provide some criticism. Thank you.

MR. UMETALIEV: May I also join the conversation? I am Emil Umetaliev. I founded -- I'm one of the founders of small and medium enterprises. I started in early '90s, and I know very well the conditions under which the SMEs at large have to function from the early stages of traditional economies and until present.

I am concerned about the issue of the Fund's relations with the SME community at large, because
practically there is no contact in that relationship here, and why. It seems to me such a relationship would be important.

All would be fine and well if we were to see any results of targeted activities aimed at middle-class emerging. But after many years of discussions and participating in the building of the new economy, we realize how an organization that loses this sight -- or I would say that the IMF is an example, which is in the search of a mandate of a mission, as it were -- becomes a part of the process that was not declared or announced of doubts of its work with our country.

And in this regard, for instance, in 19 years of an active interaction and participation in the processes at various levels, including the highest of the top level of such a direction, we are not informed of the memoranda that are concluded by the Fund with our country. Once we seek information about such memoranda, we are referred to -- referred that this is a bilateral document signed by the IMF and the government. I think that we should assess the
results, the (inaudible) of 19 years, and despite numerous attacks, as it were, and attempts to work on the budget getting entrepreneurs and civil society involved were not successful until now, and (inaudible) the formulation and the implementation of the state budget is the way it was 15 years ago. We have not -- -- have any -- we don't have anything to show for -- there is no sort of attempt to have it from bottom up.

SPEAKER: There's a feeling that transparency in these issues is going back in a cyclical way to the mid-'90s (inaudible), and the most painful issue of all is that of tax policy. Guided by macroeconomic indicators, the IFIs, including the IMF, become co-conspirators of local policies that attempt to over-tax the small entrepreneurs and the public at large, and in so doing they probably reduce the opportunities that could have been taken advantage of through larger sectors of the economy. And in general if we attempt to judge these policies on their merits, it seems that the IMF mission that is declared is
losing its focus on fundamental rights and freedoms of
the common man, especially the representatives of the
small business, and since its focus is lost, the focus
on forming the middle class is also lost, and when you
lose the focus to build the middle class, it seems
that your activity becomes more of a -- how should I
say -- declarative -- declarative of a cosmetic
nature, basically creating a façade through these
macroeconomic indicators, but deep inside we're
deviating more and more from the objectives that were
declared 20 years ago.

MR. AKILEEV: My name is Azamat Akileev. I
wanted to touch upon the issue of transparency. Since
the IMF in the final analysis promotes macroeconomic
stability and macroeconomic development of national
economies, it is not clear why the IMF has taken the
position that it has taken, vis-à-vis certain system
sectors of the economy.

For instance, let's take Kyrgyzstan. At
different times, we had between 37 to 7 percent of GDP
funded by the Kumtor goldmine, and throughout the
entire history of this deposit certain decisions were taken at different times that were not in line with the interests of our economy. And the IMF and other important international institutions did not take a stand vis-à-vis this issue. Yet it is a very important issue, because as I said only this one mining company, to say nothing of the industry of the sector at large, occupies a large share in our national economy.

So, I would wish that the IMF and other IFIs could be more firm in voicing their positions on such issues. Such processes take place at present, too, with other important sectors in the economy. In fact, what we see is a monopoly -- a monopolization of certain sectors of the economy. So, that's issue number one.

Issue number two that I wanted to touch upon is that of accountability, and judging the activities of the IMF in general I was not able to find any information about the specific outcomes and how much money was spent and how efficient and effective the
IMF activities are in Kyrgyzstan. Maybe that information is available somewhere, but at least it's not made public and people are not aware of this. But in my view it is very important, because it is something that breeds different rumors in our society and perhaps has a negative influence on the image of not only the IMF but other donor institutions. Thank you.

TRANSLATOR: Allow -- please allow Almaty to join. Almaty is on the line.

MS. GRIESEGRABER: Yes, go ahead Almaty.

Please state your name.

MR. BERENTAEV: Berentaev. Kanat Berentaev, Institute for Economic Strategies. The questions that were raised by Washington -- it seems that the role of the IMF and the World Bank -- that role should become more prominent at present as regulators of the international financial system. Unfortunately, it is impossible to achieve in the framework of the existing system, and all these principles that were put forward how to improve the work of the IMF and how to improve
the control of civil society of an oversight and monitoring by the civil society that will not yield any tangible results for as long as the system perpetuates and continues to exist.

It seems to me that the role of money in the economy as such as changed. After the Bretton Woods agreements, money has lost its function as a measure of value and in the conditions of globalization. As we shift over from industrial society to post-industrial society, money loses its function as a storage of value, and this has also led to the separation of the real sector from the financial sector when 1 or 2 percent real sector growth accounts for 98 percent of financial transactions in financial markets.

So, here we need to radically deal with one issue. That is the establishment of an international super currency, something that could be used -- for that we could use the special going rates which the IMF issues, but there are certain methodological
problems that need to be solved there, and I would like to voice my opinion.

The conclusion that I have reached a while ago -- all the efforts to reform the IFIs within the existing financial system that is no longer consistent with the requirements of the present modern day economy will be useless and are doomed to failure because you need to -- you can tune up the -- a mechanism as much as possible, but if the mechanism itself can no longer function, it needs to be dismantled, and for the IMF it would be more important now not to deal with short-term consequences of this continuing financial crisis but, rather, to look for recipes to prevent future crises.

If you take the history of the recent 20 or 30 years, you can see that such crises repeat themselves, and although each time new regulators are sought up, new rules are devised, still the market finds a way around them, and such crises can become permanent, and I think that it would be very important for civil society to start working on the global
financial architecture that would see not one national currency that could pretend to have the role of a super national currency.

I'd like to add maybe a -- Kanat spoke quite harshly about the super national currency, but it's not something that can be achieved in the near term. But if you think about developing a certain model of a new international payments and settlements model where, because you cannot just make this transition overnight but you need to start gradually introducing a new system of international settlements that would be guided by the real sector of the economy -- what I said before -- to separate the fictitious sector from the real sector, then we will have opportunities to deal with problems.

MR. OSPANOV: Now, if I may I would like to add a few words to this discussion. My name is Kanat Ospanov.

MS. GRIESEGRABER: Thank you.

MR. OSPANOV: If we talk about the document which is called the Fourth Pillar Recommendations from
Civil Society, of course many of the statements there are correct, and the objective is to increase the level of transparency for the IMF so that in the final analysis the confidence and trust in the front is improved. But this issue of confidence and trust in the IMF is a key one at present.

I think that in developing countries, the authority of the IMF, the clout of the IMF has been undermined. I think that it has to do with the fact that in the 1990s there was a policy based on a paradigm of a so-called Washington consensus, and this paradigm of the Washington consensus was based on radical, liberal prescriptions or recipes.

Yet, the current financial crisis, including that in the United States, has demonstrated that such a leading capitalist nation as the United States does not itself proceed from the Washington consensus principles. On the contrary, it does not reduce its fiscal deficit; it expands it. It does not privatize the business sector; on the contrary, it nationalizes it. That's what the U.S. government is doing at
present. And it is obvious to everyone that real anti-crisis policies in the United States are completely contrary to the Washington consensus, and I think that in order to build confidence in the IMF, it seems to me that what should be done is the following. We need -- the guy in IMF needs to step aside and distance itself from the -- its policies of the 1990s and recognize that the policies that it tried to dictate to developing countries we're wrong, and it should reject the policy of our cookie-cutter approach to all countries.

We need to understand that such countries -- as, for example, Asian countries that became emerging markets and made a economic leap forward -- their economic prescriptions do not coincide with those dictated by the IMF, and it seems to me that the main issue here is that of increasing confidence to the IMF, and the reason is that the IMF should change its ideology. It should change its ideology of assistance, of economic development, and in this regard I think that this document, the recommendations
from the civil society as far as transparency is concerned -- transparency of the IMF is concerned -- we need to include into these public documents those bilateral documents that are assigned by the governments of developing countries with the IMF so that the public could see for itself what obligations the governments and the country authorities assume, because the public often does not know about the obligations and the conditions that are imposed by the IMF, and sometimes these conditions are quite harsh and they bring about important social tensions and social problems in the recipient countries.

SPEAKER: And I think that these documents should not be confidential. All the attachments must be published, must be disclosed. That is why, in my view -- and I may need to read something that I think that the Fund should distance itself from the '90s policies and focus on developing, formulating the new world or global financial architecture. We understand that the Davos forum projects -- oversees as most likely the emergence of regional currencies in the
world, and I think this is the crux that's of substance now.

Everybody in the world anticipates the future evolution of financial systems on the regional basis and what would be the Fund policy here. The dollar may not remain the only (inaudible) of currency or the single such currency, because all the leading players in the world understand it, realize that, and I think that what is the objective of the improvement enhancing the Fund activities will not be sufficient. It should be accompanied by a declaration of the Fund's new ideology or philosophy, as it were. Thank you.

MS. GRIEGERBER: Thank you.

I believe we have one other person in Bishkek who would like to speak, and then I'd like to shift the agenda just a little bit, so I believe this is Jeannette. Is that correct? Go ahead. Who in Bishkek wished to speak? Go ahead.

MS. SEDAHMATOVA: Yes, it was Chinara, Chinara Sedahmatova. I am Chinara Sedahmatova. I
would like to follow up on Mr. Ospanov's sort of point of, first of all, touching upon the transparency of the Fund's activities in Kazakhstan.

We noticed that prior -- one month prior to the arrival of the mission of the World Bank here that he refused to meet us, and was fairly categorical about it. At the most important junction, when his effigy he was burned, he agreed to meet us, and once we met we haven't heard anything that made sense to us. He couldn't promise us anything or explain or propose to us no decisions or he had no vision of the way out as to the transparency of the IMF's sick activities.

MS. GRIESEGRABER: Excuse me, was that the effigy of the person from the IMF or from the World Bank? You started saying the World Bank.

MS. SEDAHMATOVA: That was the IMF's mission now in Bishkek. In Bishkek. Next to his office. Only then were we invited to a meeting. I think that is why there was such an outcry, because in the months the measures were taken that caused such a stir.
Let me touch up on the following issue. I think Kyrgyzstan is an example of the implementation of all Fund's programs, but all the programs that were implemented for 17 years didn't show any tangible results. The Kyrgyz people are not living better so today are preparing for this mission.

I met with some experts and some political personalities to hear them, and the most important -- what they told me -- they said what you are going to participate in the discussion of the reform of the Fund's policies, but is there a commitment, is there a will to fault the reform, because the credibility is so low now that people do not believe here in our country that indeed they are nervous prepared to be reformed.

And I think their main lever or instrument for the reform would be an adoption of a new mechanism in the decision-making procedures. Sixty-something percent of votes that belong to less than 20 percent of the members of this Institution -- do not mean the simple majority. But you would say that this is the
minority's tyranny, and if there will be no changes in this situation, this 13, it is very unlikely that the Fund's policy may change, because today the (inaudible) now, we see the Fund's policy as a policy of the major Western countries' instrument.

These countries need resources and -- that are of interest of Western countries. That's how we feel, how we see it. And, first of all, if in deed there will be an effective real reform, we expect some real changes in the decision-making procedures with the participation of various influence centers, and not everything will be focused in one decision-making center. When 24 members are deciding the fate of the destiny of the world, that cannot be an objective process and biased process.

I would also like to say, in conclusion, how the decisions are made in Kyrgyzstan and to what extent the IMF influences the policies in Kyrgyzstan. When the economic recommendations are made, you cannot limit yourself to only economic aspects. You have to deal with culture; you have to deal with politics and
so on. And what we were talking about transparencies today is more timely now than it was five or ten years ago.

We expect that our program -- the last country development strategy -- that did not include many recommendations made by the civil society. I, for instance, inquired here and from the colleagues who are here. They also provided some recommendations. I personally provided some or made some recommendations, especially with regards to the monitoring of privatization of the future outcome in privatization.

You know full well that in the fall we will proceed with the energy sector and the water resources privatization, which is of great concern to us, because regardless of its poverty, Kyrgyzstan also has a right to sustainable development, because we cannot explain to our descendants that in 2000 we were not able to have an impact to provide for them. So, I would like to emphasize this, that privatization monitoring oversight -- if the IMF would help the
civil society in monitoring the privatization processes and would strengthen the civil society's influence here, we would appreciate it very much. Thank you.

MS. GRIESGRABER: Okay, thank you so much.

Okay, given these very diverse and important agendas of all of you, vis-à-vis the role of the IMF, let us now figure out how to change the way the institution is governed in order to achieve these kinds of ends. This is the real question we are getting at with IMF governance reform.

Now, the agenda of the civil society paper obviously reflected its author's priorities, yours truly, which is to emphasize the need for accountability of the institution, and we propose actually five ways. One is the evaluation -- and this is internal evaluation, but since then and listening to people it has come up that the evaluation of programs, whether beforehand or after the fact, either ex ante or ex post, needs to be done by an independent unit. It's not appropriate for the IMF to be
evaluating its own work and then say gee, what a great job we did. It's like when I write my own evaluation for my bosses. I say I have been absolutely brilliant and wonderful and efficient. Well, that may not be objectively accurate. So, when we evaluate ourselves, it's bound to be unbalanced. So, the question of evaluation, not only of policies and projects but also of the decision makers -- are they held accountable for what they decide and the consequences of their decisions? And the decision makers are predominantly the executive board individually and as a body and the managing director and the three deputy managing directors. So, that's the first element of accountability.

The second is transparency, and in this paper I put that way up front and first. The documents that are signed by the government with the IMF remain bilateral, but the specific agreements -- there is a presumption that they are public. They are not public only if the government objects. So, if you are not receiving the documents that your government
signed, that is a problem of your government, not of the IMF, okay? The IMF has a lot of problems and I'm the first one to complain about it, and then Silvia will testify that I'm a real pain, but -- but if you are not getting your government's signed documents, that's your government's responsibility and you have to get -- you have to complain to your government, to your parliament, to your local media. That's a national problem, okay? We fought that battle about ten years ago, and that's one we happened to win, okay?

So, in addition to transparency, there has been discussion, for example, of policy papers being made public before they are approved by the board. That has been raised by some members of civil society.

The third element of accountability is in participation. And here it's both consulting the civil society, NGOs, the private sector; consulting with parliaments increasingly. You know, parliaments are not included even though they're intrinsically part of the government.
But the other aspect of participation that is very important at this moment in time is the reform of the formula by which governments are represented. How do you measure an economy? Because theoretically the idea is that the IMF is a co-op -- everybody puts in money according to their ability to contribute, and they borrow according to their -- when and as they need. The formula for measuring a government the size of a national economy is a huge political fight, okay?

So, what gets included in that formula? And the formula will be negotiated. There will be a quota battle going forward at least from the annual meeting in October in Istanbul to January of 2011. There will be a renegotiation of the quotas and reallocation of voice and vote. And that is a fight, because there are only so many votes available. If someone gains, someone else has to lose, and this is all on a country level.

The only thing represented are countries, not regions. Although the European Union has an observer seat, the members of the IMF from Europe are
all European nation states, and civil society and private sector -- even though we know better than anybody else, we don't get a seat, which is really sad because I would run a good IMF. I would be very good. But I don't get a vote. So, the reallocation of voice and vote is coming up, and that is part of participation.

The fourth element of accountability is how to deal with complaints. Right now there is no external complaint mechanism. You can complain to your government. You can complain through the media. You can complain to each other, which does no good. You have to channel it. But there is no way for people who are negatively impacted by policies to complain to the institution, because the IMF says this is an agreement your government signed, and it's your government's responsibility. But was your government a free agent? This is a question that many people raise.

So, how do you provide for an external complaint mechanism? There's a proposal to have an
ombudsman, and there's also a proposal to have exante poverty impact assessments. Those are some ideas that have been put forward.

What I hear a lot in these conversations, and what Domenico is reading more and more about, is what about conditionality? This seems to me another -- as I hear those questions and concerns, I hear another effort to hold the institution accountable for its actions. And, again, it's a split decision.

What is your government's responsibility, and what is the IMF's responsibility? These are difficult questions. But this is a moment when the Fund is really trying to -- at least there is ferment. I can't promise results, and I have no idea how much we're -- recommendations will be taken to effect, but I am doing my best to get the ideas in at the highest level at the right time in the right tone of voice so that they can affect change, because there -- a lot of powers and a lot of interests do not want change, including many governments.
So, with that over-long question, I'd love to hear from you how you would restructure the IMF decision-making and taking-responsibility mechanisms. That's the question of the moment, whether from the civil society paper or the trouble manual report or the Independent Evaluation Office report or the Board committee. So, that's the nature of the question right now.

MR. IMASHEV: I would like to make a comment.

MS. GRIESGRABER: Is this Chorobek?

MR. IMASHEV: Do you hear me?

MS. GRIESGRABER: Is this Chorobek?

MR. IMASHEV: Yes, I would like to make one comment.

MS. GRIESGRABER: Go ahead.

MR. IMASHEV: Yes, this is Chorobek talking. As a former member of the staff, I think Domenico will support me here. I would like to first raise the question -- let us not waste time talking about the experience of the IMF in Africa. It is actually a
question. My question is shall we not waste time talking about the experience of the IMF in Africa?

MS. GRIESGRABER: I'm sorry, I don't understand your question.

MR. IMASHEV: I'm saying does it make sense for us to discuss the experience of the IMF in Africa?

MS. GRIESGRABER: No, no, no, no, no. No. We are talking about Central Asia. We're talking about the IMF in India, Indonesia, Latin America. This is not an Africa-related question. This is the IMF globally, and it's the global community that is -- there is considerable ferment to change its decision-making process. We have consulted with Africa, but it's no way limited to Africa. We're talking about the global community.

MR. IMASHEV: I was talking about the previous experience. When I said "experience," I meant the past.

MS. GRIESGRABER: Oh, okay. Well, the IMF has been in Africa for a very long time. We had extended conversations with Latin Americans, and they
have extensive experience and a lot of complaints and a lot of suggestions. Interestingly, the Latin Americans came up with the suggestion that there be what might be called a cooling off period between going to the -- working for the IMF after you've been in government or going to government after you've been at the IMF. So, we had very long and very rich conversations with Latin America, and we will be speaking with Indonesia and India next week or later this week.

MR. IMASHEV: Well, the reason I raised this issue -- I would like to follow up on what I said. I fully agree with my colleague, Chinara, who talked about transparency of the IMF. The IMF is a public institution which lives from the taxpayers' money -- global taxpayers' money -- and such organizations are public institutions. We're not talking about closed or specialized institutions. My experience shows that -- and I think Domenico will support me, he also went to IMF missions -- when the IMF wants something, it can make it happen.
To give you an example of Kyrgyzstan, when there was not enough conditionality and special reforms, they were basically taken out of thin air. So, it's a simple task to publish a program with the government. It's a question of ten minutes.

MR. ELEBAEV: Nurbek Elebaev. I would also like to add a few words.

I think that the IMF as an international organization is a strong international financial institution. It is really in a position to impose certain rules or criteria that each member state should follow to enable a proper macroeconomic stabilization environment, and if the IMF is unable to do so, then what kind of an IFI is it? And such requirements could be put into place in the framework of all these memoranda that it signs with the country authorities, and they should be clearly spelled out.

We, as our colleague from Washington said -- rightly said -- now that we're talking about a supra-national regulatory role of the IMF, it becomes very important, even more important. Such activity on the
part of the IMF could create a normal environment for economic development in each member state. We are a witness to the fact that deviations from such development are now evident in most of the post-Soviet states. So, international rules should be followed. International rules of economic development should be imposed, and that should be one of the important functions of the IMF.

And now in the current financial crisis I think that the IMF should emphasis its role in terms of the implementation and monitoring of global financial markets and the regulation of the global financial markets. We know that the IMF has already started this work, this so-called surface standards on regular policy, and this is something that should be aimed not only at the national market participant but also at the regulators -- the national regulators. The national regulators should be transparent and open in this regard.

And the second issue that I think is important with regard to this new regulatory role of
the IMF -- that is something that has to do with risk management and the creation of modern risk management practices. I think that any international crisis -- and we have seen such crisis happening more and more often lately -- is always -- or has always been the responsibility of the IMF to this or that extent. So, the IMF as an international financial institution should establish and develop -- design this system and certain techniques that would allow us to adequately respond to such situations.

Unfortunately, what happened in 2006 when the IMF attempted to focus attention on the financial market, it started warning about the crisis -- illumining it was voiced very timidly. And until the countries themselves -- until the main market players started tackling these issues, we really did not see any positive steps to overcome the crisis in the global plain. So, all these drawbacks represent the drawbacks of the IMF, and the IMF should start to overcome them as soon as possible.

If I may, I would --
MS. GRIESGRABER: Excuse me, if I may. How
would you structure the institution's decision making
so they would do what you just suggested? Who needs
to be more represented; who less represented? Who
should sit at the executive director table? What
should their skill set be? Who should be the managing
director; the deputy managers? What should be their
skills? How should decisions be made -- by consensus;
by double majority? I mean, we're asking -- we're not
disagreeing, you know, so much about the objectives,
but given your objectives, how would you achieve them?
This is a difficult question. It's a very difficult
question. But we have an opportunity right now to
have input on this. Should there be a council, which
would be a council of ministers that would meet
quarterly? And that would do away with the
International Monetary and Finance Committee, which is
just an advisory committee of the Board of Governors.
So, it's -- you know, these are tough decisions. How
do you see the IMF decision making could be
strengthened or changed? That's the question of the moment. As I say, it's a tough one.

MR. IMASHEV: If I may, I would like to -- this is Chorobek -- I would like to -- Bishkek -- can you hear me?

MS. GRIESEGRABER: Yes. Yes, we can.

MR. IMASHEV: Firstly, what needs to be done is to change the existing governance structure of the IMF when the managing director is chairman of the Executive Board and has a dual function -- an executive function and a representative function.

The Board -- could you please switch off your mike, I'm getting feedback -- the Board should be headed by the former prime minister of a successful country that, for example, achieved significant results that are obvious to the entire world rather than some obscure consultations as a result of which certain leader or candidates emerge. And the Executive Board chaired by the chairperson of the Board may be an eminent person. An eminent, respected
economist should be -- like on a competitive basis
elect the managing director of the IMF.

With regard to the Council of Ministers,
such a structure already exists at the IMF. It's
called the Financial Committee of the IMF and the
World Bank, and the Development Committee, so the IMFC
and the Development Committee.

SPEAKER: And it is obvious -- now the sound
is gone. Yeah. And this practice shows that it
really doesn't give any results. The IMF has two main
objectives now -- the surveillance, the financial
market surveillance, and the preparation of the
drafting of programs for developing countries. And I
think these two objectives should be balanced; i.e.,
50 percent of the votes should go to developed
countries and 50 percent to developing countries, i.e.,
recipients of the Fund's assistance.

TRANSLATOR: And another person.

SPEAKER: Developing countries should
receive, as it is done in the corporate sector -- the
minority rights; i.e., for instance, they have the
right to not support a decision that would go against the interests of developing countries, because unfortunately in the current practice, there are decisions made by the IMF that are dictated or imposed by major share holders holding largest quarters and have the laws to do it.

MS. SEDAHMATOVA: Chinara Sedahmatova, and I also has a recommendation to make.

So that we would show to what extent the developing countries' rights are infringed upon, we could set up a developing countries' counsel, and it would reconcile all decisions before they are made or adopted -- should be reconciled through this council -- within this council. It should be comprising experts so that the experts from these countries would assess -- would determine to what extent any program would be in the interest of the potential recipient of the assistance.

MR. BERENTAEV: Berentaev from Almaty. It seems to me that the issue of the structure of the IMF and its governance is somewhat premature in the sense
that now a more timely objective is what the IMF role should be and then your global architecture, and we would see or determine its role and its place then the -- its structure -- organization structure -- and the governance structure would be appropriately decided or determined. So, now proposing any structural changes in your departments or councils would be just a waste time. Thank you.

MR. OSPANOV: May I add on this subject. If you mind that I am Kanat Ospanov. First, seeing that the agreements on the national (inaudible) themselves should provide for the transparency, it is not sufficient argument or not a very convince -- for instance, there is Tony Blair's initiative in the extracting industries, and the international community forces the governments to be transparent at least in this revenues area, so there is an enforcement or instrument (inaudible) public opinion in the international communities, peer pressure and so on could be used, and I think there are (inaudible) also
could impose such transparency on governments (inaudible) in agreements with.

Also would like to support Kanat Berentaev's opinion, who preceded me, about what we see in their draft document, how to increase or expand the representation of developing countries to 50 percent and other measures. Of course on the one hand the right measures because such representation should be made more democratic, and perhaps one could do away with a tradition than the Fund's managing director should be European. It would be best to put it on our rotation basis.

Indeed, such organization functions or distribution functions should be secondary, while the primary task would be to determine the philosophy or the ideology of the Fund's activities and its place in the regulation of global finance.

And I think that the civil society or sector -- its role would be more of an intellectual nature and support for the global financial infrastructure.

And I see such future conferences as today as an

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instrument, a means to make the civil society organizations' opinions be channeled. I think -- and I may be repeating myself -- that there (inaudible) financial architecture should be changed, because the Bretton Woods system is outdated, and it is obvious that there is a need for a new system, but nobody has yet formulated how it should be -- what shape it should take. There is a new maybe -- the need for a new transnational currency, but how -- what currency should it be like? The civil society should try to participate, to global the role in discussion of these issues, to help the government make a decision on the Fund's reform. Thank you.

MS. GRIESEGRABER: Okay, thank you.

Domenico Lombardi would like to intervene.

MR. LOMBARDI: Yes, thank you, Jo Marie.

I'd like to use this opportunity to gather your feedback on some special aspects of IMF policies. In particular, I realize your countries have had an intense relationship with the IMF both in terms of surveillance and program landing. And my question to
you is to what extent have you realized that IMF missions have taken into consideration, you know, political economy constraints in your own countries, have shown inadequate knowledge of the political economy landscape, if you will, of your own countries, or have rather applied, you know, receipts that they might have taken from elsewhere. And of course, you know all too well that your own countries have addressed very specific development challenges coming from a planned economy type (inaudible) condition.

So, my -- really I would really be interested in your feedback in terms of how the IMF staff's tried to distil the specific challenges posed by your own economies into both their surveillance advice and their program design. Thank you.

MS. GRIESGRABER: Who would like to speak?

Anyone like to speak to this question?

TRANSCRIBER: Almaty.

MR. KAIRAKBAY: Well, let me please start.

My name is Kairakbay. My colleagues will corroborate, because the initial evaluation of the Fund's mission
is as follows. I don't how it is in other countries, but in our country, in the '90s we're using a cookie-cutter approach, a scheme that was approved by -- they had quotas in Washington. There was no heeding of specific local conditions at the strategic level. They were not taking the specifics into (inaudible). There were certain practical changes and modifications to the (inaudible) the state of finances, the structure of the fiscal planning and the government and the state of the (inaudible). But the local conditions were not taken into account. The model was very rigid or fixed, and I think that was one of the reasons for the negative view of the Fund that has emerged.

Many people blame the IMF for the crisis. I don't think so. I don't share this opinion. I think the IMF is not able at this point to -- nor was it able in the past -- to prevent any crisis -- crises -- and therefore the discussion that you have now as regards the revision of the governance structure -- I would agree with my colleague that these changes would
be of cosmetic nature, because without the revision --
modification of the philosophy of the Fund any
vertical changes would not be able. If you change the
voting structure -- for instance, the lesser countries
would be better represented -- then the Board's
meetings would become a discussion club.

As to the efficiency of decision making, it
would go down; it would deteriorate. (Inaudible)
called the decision that are made in the European
country when every country has one vote. As a result
many important decisions are blocked by lesser
countries -- less prominent countries. So, you can't
say simply that we will develop the democracy in the
Fund and the global finance situation will improve.
It's not true. It's not substantiated. The civil
society, as my colleague was saying, should play the
following role in the reform of the Fund. They should
be an impetus for the Fund and other powerful
influential international institutions to change the
paradigm of their activities, i.e., to take into
account the interest of the civil society and the
world at large, which means that such patterns, the schemes, or cookie-cutter approaches should be abolished based on (inaudible) consensus (inaudible) the paradigm about how to do it, how to perceive it. I must say (inaudible) description for that. It needs to be discussed.

The technical issues will not tackle the underlying problem. It could be done, but it will not change the situation. Thank you.

MR. UMETALIEV: Emil Umetaliev from Bishkek. I would revisit one of the arguments that was put forward from Washington, i.e., that we need to talk to our governments. We have heard it before 10 and 15 years ago. This is the argument that is the basis for the lack of trust from the -- on behalf of the civil society that it does not trust the IMF, the Fund, and the latter loses its ally and -- ally and partner -- and a possibility of a productive involvement of the real beneficiaries in the process. I think that decision-making technologies of procedures -- the
institutional and structural decisions should be based -- must be based on --

Let me make a reservation. I understand the diplomatic and political realities. I'm aware of the realities that are related to countries such as ours. However, if their mission deals with the strategic line with the structure on decision-making technologies should not allow the stance of position and just talk to your government would be senseless, because this mistrust will strengthen.

MR. ELEBAEV: I am Nurbek Elebaev. I will disagree with my colleagues from Almaty who say that the governance reform or structural reform in the Fund is premature at this stage. We know -- if you look at any corporation, the IMF is an international corporation with 185 members and a lot rides on the efficient governance and effective governance (inaudible). We consider it a priority task to meet now. It would be sad if nowadays -- or, rather, for 65 years as governance structure remained unchanged and it existed basically unchanged.
SPEAKER: -- what kind of change or reform can you talk about if -- unless you start reforming the system right away?

Second, it seems to me that -- and I'm referring back to the question from Washington -- that the missions and all the IMF programs that are implemented in our countries really have this cookie-cutter approach, this template approach. I actually read some analytical reports from the missions that visited Kyrgyzstan, and in reality I did not see any serious or deep analysis, and the reason is that it is the Institution itself that conducts the analysis. So, until and unless we create a system of analysis and system of evaluation of -- for a country that needs IMF assistance and to be done by independent experts, by independent specialists and including local experts, because the IMF usually points -- at least in the case of Kyrgyzstan -- appoints experts somewhere from Nigeria or somewhere from Australia, people who come here and they go to the local professionals and start asking questions and trying to
understand what they need to put in their analytical reports, and then these analytical reports are sent back to the IMF to inform their decision making, so these rules and procedures need to spell out clearly that all this work should be done, including local domestic national experts and consultants. All the work -- otherwise, the work would not be effective.

TRANSLATOR: And a new person speaking.

Chinara Sedahmatova now.

MS. SEDAHMATOVA: And colleagues from Almaty were saying that it's -- there's no sense to reform the governance process, but what is important is to take into account the criteria, how to argument a certain decision that was being taken, how to substantiate the decision. So you need -- to substantiate the decisions, you need high-class experts, and any argument should be balanced by a counterargument. So should their dialogue of arguments in any decision-making process. Thank you.

MS. GRIESEGRABER: Okay, thank you.
We have just about 11 or 12 minutes left by my watch. May I ask, do you know who your executive director is, and how effective is he or she in communicating with you? Do you know -- have you ever met with him or her? And Domenico wants to follow up.

MR. LOMBARDI: Sorry, just to add to what (inaudible) has just said, and that's Domenico Lombardi.

Before when you were talking about the possibility of having a follow-up with the IMF mission and of meeting with the mission chief, actually all the IMF missions are staffed with a representative from the executive director, if not the executive director himself, and therefore he should really provide that list in theory, you know, a sort of bridge for incorporating your views or being really an important point of contact, and so again I would be interested in your feedback on that.

MS. GRIESEGRABER: Go ahead.

SPEAKER: I apologize --

MS. GRIESEGRABER: We're not hearing.
SPEAKER: It's -- basically not very many people know the executive director, but it is true that the executive director visits his or her countries once or twice a year. There are mission chiefs from the IMF. They come every quarter. And then there's also the resident representative of the IMF inside the country, and even he is not familiar to many.

MS. GRIESGRABER: I met recently with the executive director from Switzerland, who is your representative, the executive director who heads the constituency in which I believe your countries are located.

SPEAKER: Not Kazakhstan.

MS. GRIESGRABER: Not Kazakhstan, excuse me. Kyrgyzstan is represented by Switzerland, and Kazakhstan by -- do you know?

SPEAKER: By Belgium.

MS. GRIESGRABER: By Belgium. So, I have met at different times with both of your executive directors, and they claim that they meet often with
your governments, are open to meeting with your
parliaments, and I don't know -- I guess -- Domenico
as a former senior advisor within the constituency
headed by Italy would have gone on some of these
missions, but I don't know the specifics. This is
kind of a very critical point in terms of the
accountability of executive directors and the efficacy
of constituency representation. It's a constituency
country -- self-select which group they want to be in,
and then they make decisions within that, and
different constituencies work different ways. But I'd
love your feedback on any, you know, communication
with your executive directors or those offices.

SPEAKER: Well, I can reply now. First,
considering that Kazakhstan has minimal relations with
the IMF at present, I think that most people are not
aware of the name of either the executive director or
the relevant mission chiefs. These names are not
familiar to the public at large. I believe in the
early '90s it was different but not now, and the
representative office in Kazakhstan is basically a
technical office. There is only a liaison officer, and some technical consultations take place.

With regard to IMF missions and executive directors' visits, I think that all this takes place at the level of the Ministry of Finance or the National Bank and the public at large is not really familiar with this. Whether it needs to be made public or not -- of course it does -- the public needs to be informed about such meetings, the outcomes of such meetings, and what was discussed there. But here maybe we have such a different understanding. In Kazakhstan at least. At present, it does not have a active dialog with the IMF right now, so that is the situation.

MS. GRIESGRABER: Thank you, Almaty.

Bishkek?

MR. IMASHEV: Okay, this is Chorobek speaking. My opinion is -- my opinion should not be taken as that representing the majority. Our executive director is Mr. Thomas Moser from Switzerland. He is engaged in a lot of work. He does
a lot of good work. He meets with the government very often, but there are seven other countries in the constituency, including Serbia and Montenegro, and he physically does not have time to visit all these countries, and the usual practice is that he visits one country once every two years. Also he needs to have time to go back to Switzerland and also to Poland.

The same picture is true for Kazakhstan where the executive director is Mr. Lee Keikins. Kazakhstan is a member of the constituency which comprises the Czech Republic, Austria, and some other European countries, and the picture is similar. The executive director is there. The reason why I would like to focus on the missions and the resident representative is because these are those people who represent the IMF. I don't think that the IMF representative only has a technical mandate. His mandate is also to hold policy dialog with the Kyrgyz authorities, and perhaps it is not truly correctly written authorities -- not just the authorities, with
all the segments of Kyrgyz society. That's how it should be, including the business community, academic circles, and others.

MS. GRIESGRABER: Okay, that's very helpful.

Anyone else? We have five minutes. So, if anyone has any urgent last statements. I remind you that if you think of something later, please send us an email or post it on the website, okay? This is the last -- your last statement, your last hurrah.

MR. IMASHEV: I apologize, and in that case I would like to conclude what I said. Do you hear me? This is still Chorobek speaking.

MS. GRIESGRABER: Yes. Yes, we do.

MR. IMASHEV: So, there are three issues that still remain important for us still on the agenda.

Issue number one, accountability for economic policy -- or responsibility for economic policy or a co-responsibility together with the government -- the IMF's responsibility and the government's.
Second, efficiency or effectiveness of the activity. Focus on results. I did not mention Africa by chance earlier today.

And, third, to eliminate a superficial approach that is a cookie-cutter approach dealing with what is a so-called three-iceberg approach -- economic growth, inflation, and fiscal deficit -- and deal with those issues at any cost, sometimes at a very high cost for the country.

MS. GRIESEGRABER: Those are very rich parting comments, Chorobek. Thank you.

Almaty? Go ahead.

SPEAKER: Firstly, I would like to thank our colleagues in Washington for inviting us to this dialogue. Second, I wanted to make a proposal that my colleagues also share so that such discussions, such dialogues could also cover the issues that we mentioned -- not just the organizational issues of the IMF, the structure governance, but also the role of the IMF and the world financial policy, it's future role and place in the global financial system. These
are the questions that are of concern to many people nowadays, and I think that here we need a combination of poling the roles of the civil society and others to build this new role for the IMF. Thank you very much.

MS. GRIESGRABER: Thank you so much. I'd like to recall that there is a parallel process that's going on at the United Nations where there was a conference in June on the global financial crisis and that was preceded by the work of a high-level panel headed by Joseph Stiglitz of Columbia University, and that work is continuing, but this conversation is taking place in many areas.

Before the magic machines just turn themselves off, I would like to say thank you to each of you for sharing your evening with us, for sharing your thoughts. I share with you the passion for new global financial architecture. The opportunity of this minute is the structure of the IMF governance. The goal is much larger. The goal is for, really, the ideal of an environmentally sustainable and equitable growth for everybody and an economic system where
money serves the real economy and is at the service of all people. So, I thank you, thank you, thank you for your participation. We will do everything we can to make sure this input is received and makes a difference. Please do consult the website that is mentioned in the civil society paper. Bye.

MR. LOMBARDI: We just made it.

SPEAKER: Yeah.

MR. LOMBARDI: (Inaudible), perhaps you will remind me about the website.

MS. GRIESEGRABER: That was hard work.

MR. LOMBARDI: Yeah.

SPEAKER: That was good. (Inaudible) participated (inaudible) but I thought it was very, very (inaudible).

SPEAKER: Thank you.

SPEAKER: Thank you.

SPEAKER: Thank you. Very good. Excellent work.

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