The Office of the Nordic-Baltic Constituency
INTERNATIONAL MONETARY FUND

Views and Positions on Policy Developments in the International Monetary Fund

July 2013

Contents

This report is prepared by the Office of the Nordic-Baltic Constituency (NBC), representing Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden in the International Monetary Fund's Executive Board. The purpose is to present the positions taken by the Nordic-Baltic chair in the Executive Board and to update interested audiences on IMF issues. The report is not an exhaustive review of IMF's work, but aims at presenting the key discussions over the past six months through June 2013. The next report is scheduled for December 2013.

The IMF has 188 member countries, and all countries are represented by one of the 24 chairs of the Executive Board. The main activities of the IMF include:

- conducting surveillance and providing advice to members on adopting policies that can help them prevent or resolve a financial crisis, achieve macroeconomic stability, accelerate economic growth, and alleviate poverty;
- making financing temporarily available to member countries to help them address balance of payments problems; and
- offering technical assistance and training to countries to help them build the expertise and institutions they need to implement sound economic policies.

For additional information, we generally refer to the IMF's website, www.imf.org, which we have also benefited from while preparing this report.

July 30, 2013

I. INTRODUCTION

The global economy has avoided a relapse into a recession but growth and job creation are still weak. The IMF maintains its vital role in efforts to foster a strong and sustainable recovery and restore the resilience of the global economy. The Fund is focused on bilateral and multilateral surveillance, providing policy advice, technical support and financial assistance to underpin member countries' adjustment efforts, while at the same time putting in place systems that strengthen the Fund's ability to identify and respond to global economic and financial risks as they emerge.

The main topics covered by the Executive Board over the past six months – in addition to continuous assessments of the economic and financial situation – included reviewing the debt limit policy and Fund's stance on debt restructuring, readjusting the Fund's facilities for low-income countries (LICs), and strengthening the Fund's transparency policy. In addition, the Fund also continued efforts on topics like macroprudential policy, jobs and growth and energy subsidies. This report will deal with each of these themes respectively with focus on the positions taken by our chair in the Executive Board (Nordic-Baltic Constituency views - 'NBC views'). More NBC views can be found in the published statements by our member of the ministerial committee of the IMF, the International Monetary and Financial Committee (IMFC).[1]

II. SURVEILLANCE

The IMF members have an obligation to consult with the Fund on their economic and financial policies regularly. Surveillance takes up most of the IMF's workload, and in implementing its surveillance function the Fund assesses risks to the global economy and provides economic policy advice at an individual country-level. Given that the Fund's surveillance activities, in particular on the monitoring of the individual 188 member countries, are well covered on the IMF's website, we focus in the following on the multilateral surveillance on the one hand, and on reforms to the institutional framework for surveillance, on the other.

On the global economy, the IMF's flagship reports are the World Economic Outlook, the Global Financial Stability Report and the Fiscal Monitor, which are all published semi-annually on the IMF's website. The key findings and policy advice from those multilateral surveillance products, as well as the Managing Director's priorities for the Fund and the membership, are pulled together in the Global Policy Agenda.

Over the last few years, the IMF has been making special efforts to integrate more closely all dimensions of surveillance - multilateral, bilateral and financial. To meet this challenge, the Executive Board adopted in 2012 a new Decision on Bilateral and Multilateral Surveillance, also known as the Integrated Surveillance Decision (ISD). The decision provides guidance to the Fund and member countries on their roles and responsibilities in

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[1] http://www.imf.org/external/spring/2013/imfc/statement/eng/swe.pdf

surveillance and took effect on January 18, 2013. In response to the Triennial Surveillance Review completed in October 2011, efforts are underway to better integrate the multiple dimensions of surveillance through additional work on interconnections and spillovers between financial sector and the real economy as well as across borders; greater use of in-depth risk assessments; renewed emphasis on external stability—a Pilot External Sector Report now complements other surveillance; and strengthening the traction of IMF policy advice.

GLOBAL ECONOMIC AND FINANCIAL OUTLOOK

Context. In its latest flagship reports, published in April 2013, the Fund observes that the global economy is "in a better place" than at the time of the previous round of projections in the fall of 2012. Reflecting a combination of deeper policy commitments, renewed monetary stimulus, and continued liquidity support, global financial and market conditions have improved considerably. In the euro area, policy action by policymakers has reduced tail risks, in the United States, a last minute deal averted the risk of a fiscal cliff (but not the sequester), and actions in emerging markets have been supporting slowing demand. However, the global economy is increasingly moving at three speeds. Activity has strengthened in many emerging market and developing countries, and in the United States, although fiscal withdrawal is weighing on recovery, private demand appears to be gradually reviving. By contrast, the rotation from public to private demand and thus economic recovery remains elusive in the euro area and risks of a relapse into crisis persist.

With regards to the global financial and market conditions, the policy actions have succeeded in reducing tail risks and enhancing confidence but further policy actions aimed at repairing banks' balance sheets and gradual unwinding of public and private debt overhangs need to be taken. If progress in addressing these medium-term challenges falters, risks could reappear.

NBC view. While extraordinary political and central bank measures have contributed to reducing tail and near term stability risks and helped boost confidence in financial markets, considerable downward risks remain, mainly in advanced countries. It is crucial to retain momentum on all policy fronts. Fiscal consolidation must be differentiated and growth-friendly, and automatic stabilizers should be allowed to operate in countries with sufficient fiscal space. While debt ratios are expected to stabilize in the coming years, the levels are still too high in many advanced economies. It is important that these countries continue to address their high debt levels through gradual consolidation in order to reach more sustainable levels in the longer term. When scheduling reforms, it must be taken into account that uncertainty caused by repeatedly postponed and loosely defined reform agendas may become more costly than a rapid implementation of these measures. Exceptional circumstances continue to require exceptional monetary policies in advanced countries. However, it is necessary to be on the alert for unintended consequences of monetary accommodation over an extended period. It may encourage risk taking and amplify economic imbalances, not only in advanced countries. Policy makers need to use macro-prudential policies to mitigate the buildup of risks.

In the euro area, it is urgent to decisively implement the agreed features of the banking union. While creating such a union is necessarily a medium to long-term project, it is important to recognize the current momentum in taking the reform agenda forward. For the US, to sustain the recovery and to strengthen confidence, it is essential to establish fiscal policy predictability and a credible medium-term fiscal consolidation plan. While the fiscal stance and debt dynamics in most emerging market and low-income countries remain satisfactory, some countries need to take more immediate measures to contain rising deficits. Reducing subsidies for fossil fuels can help support the fiscal stance and reduce carbon emissions.

ONGOING WORK ON MACROPRUDENTIAL POLICY

Context. The Great Recession showed that price stability alone is not sufficient to ensure macroeconomic stability - buildup of financial imbalances can pose equally substantial macroeconomic risks. Those risks require new tools (called macroprudential tools) that can target specific sources of financial imbalances. Over the last six months, the topic of macroprudential policy was high on the Fund's agenda. In January, The Board discussed the issues related to the interaction between monetary and macroprudential policies. The analysis of the IMF policy paper "The Interaction of Monetary and Macroprudential Policies" finds that the conduct of both monetary and macroprudential policies need to take into account the effects they have on each other's main objectives, thus strengthening the case for assigning both policies to the central bank. However, while such policy coordination can improve outcomes, concentrating multiple (and sometimes conflicting) objectives in one institution can muddy its mandate, complicate accountability, and reduce credibility. Therefore, safeguards that establish institutional frameworks, distinguishing between the two policy functions through separate decision-making, accountability, and communication structures, are necessary.

NBC view. We support an active role for the Fund in developing the macroprudential policy agenda. Advice on macroprudential policy should in principle be part of all Article IV discussions in the same way as advice on fiscal and monetary policy. There is no "one-size-fits-all" solution for the institutional set-up, but a number of well-articulated determinants need to be in place to safeguard efficiency of any adopted arrangement such as a clear division of labor, a mandate supported by sufficient powers, taking due consideration of independence and accountability of the macro prudential authority.

2013 TRANSPARENCY REVIEW

Context. Over the last two decades the Fund's transparency has improved considerably. Over 90 percent of country reports and policy papers are now published and average publication lags have declined.

The 2013 Review was not a major overhaul of the policy but building on recent gains introduced new measures to further improve communication and the rates and timeliness of publication.

To increase the publication rates even further, a stronger publication regime, stipulating that "the Managing Director will generally not recommend that the Executive Board approve a request to use the Fund's general resources unless the member consents to the publication of the associated staff reports" will be extended to staff reports of all lending decisions (before the 2013 Review, this policy was applied only to the cases of exceptional access). In order to improve the timeliness of the publication (the only area in which the Fund seems to be lagging behind other institutions with similar mandates) a new definition of prompt publication will be introduced, establishing the expectation that documents are published no later than 14 days after the respective Executive Board meeting. Streamlining external communication products is expected to reduce the risk of inconsistent messaging. In response to recent surveillance reforms, the review also proposed a new publication regime for multi-country documents and, in view of the new realities of the Integrated Surveillance Decision (ISD), adjusted the modification rules for country documents.

NBC view. The Nordic-Baltic constituency is strongly committed to transparency. We supported the above-mentioned proposals and were willing to endorse even more ambitious measures. We urge members who resist publication of country documents to reconsider their stance.

III. IMF LENDING

The IMF plays a central role in view of its surveillance mandate and as a lender of last resort for members with actual or potential balance of payments needs. The Fund has a range of lending facilities which are regularly reviewed in order to strengthen the global financial safety nets and target the needs of member countries, while safeguarding the IMF's resources.

In response to the global crisis, the demand for Fund loans increased dramatically. Since the end of 2011, the demand for Fund resources has broadly stabilized, with credit outstanding and commitments still close to historic highs. As per April 2013, the Fund had outstanding credit amounting to about USD 136 billion, and undrawn loan commitments of about USD 163 billion. It should be noted that by April 2013, the largest borrower, Greece, accounted for approximately a quarter of the total outstanding credit and over 70 percent of the undrawn balances were accounted for by precautionary arrangements (possibility of credit rather than actual loans): Flexible Credit Lines (FCL) with Mexico, Poland, and Colombia and the Precautionary and Liquidity Line (PLL) with Morocco.

WORK IN PROGRESS ON DEBT RESTRUCTURING

Context. Since the last Board review of the sovereign Debt Restructuring issue in 2005, a number of important developments have occurred. In 2012, Greece launched the largest sovereign debt restructuring in history. Other recent restructurings include Belize, Jamaica, and St. Kitts and Nevis. Separately, ongoing litigation against Argentina related to its default in the early 2000s could have pervasive implications for future sovereign debt restructurings. There has also been active discussion of debt restructuring issues in other international fora.

In May 2013, drawing on the paper "Sovereign Debt Restructuring—Recent Developments and Implications for the Fund's Legal and Policy Framework", the Executive Board examined the recent experience with sovereign debt restructuring. The Board endorsed staff's further work on the following four topics: first, how to overcome the problem that debt restructurings have often been too little and too late; second, how to make the contractual framework more effective(e.g. through the introduction of more robust aggregation clauses into international sovereign bonds); third, how to make the framework for official sector involvement clearer, especially with regard to non-Paris Club creditors (for which the modality for securing program financing commitments could be tightened); fourth, how, in light of the recent experience and increasing complexity of the creditor base, to improve the effectiveness of the lending-into-arrears (LIA) policy .

NBC View. We endorse further work on the topics outlined above.

EURO AREA PROGRAM COUNTRIES

Context. The Fund's involvement in the euro area has recently attracted considerable media attention. The IMF has been closely engaged in the euro area program countries, providing resources and offering policy advice, thus helping the countries in their transition towards more balanced economies. In the last six months, Greece, Portugal, and Ireland successfully completed their program reviews and on May 15, 2013, the Executive Board approved a three-year SDR 891 million (about EUR 1 billion, or USD 1.33 billion) arrangement with Cyprus. At the inception of the program, the Managing Director underlined that "the macroeconomic outlook is subject to high uncertainty and risks to the program are substantial. There is no room for implementation slippages. Full and timely implementation of the program is critical to maintain credibility and achieve the program's objectives."

NBC view. We coordinate our views closely with our partners in the European Union. We appreciate the significant efforts the authorities and people of Greece, Portugal and Ireland have already made to bring the countries back to a more balanced growth path. We have supported the completion of their respective program reviews. With respect to Cyprus, authorities' strong commitment towards the resolute implementation of the program will be necessary for the program to succeed. The success of the program will critically hinge on political ownership, implementation capacity and the rebuilding of a sustainable economic model.

IV. FUND RESOURCES AND GOVERNANCE

The voting power of IMF member countries is based on the so called quotas, which broadly reflect the countries' relative position in the world economy. Quota subscriptions are a central component of the IMF's financial resources. Historically, IMF quotas have also been an important reference in determining access to IMF resources. In the event that quota resources may fall short of members' needs, they are supplemented through multilateral and bilateral borrowing. As in recent years, IMF's governance and resource issues have continued to be high on the institution's agenda in the last six months. While governance reforms generally aim to improve the functioning, as well as the credibility, of the institution, the focus on financial resource adequacy is derived from the global economic and financial crisis on the basis of the Fund's mandate.

THE 2010 REFORMS

Context. The 14th General Review of Quotas and the associated reforms redistributing quota shares and improving governance were formally adopted by the IMF Board of Governors in December 2010. Once effective, the reform will result in a doubling of the quota resources and a more than 6 percent quota shift to dynamic emerging market and developing countries. BRIC countries will be among the 10 largest shareholders, the top three being the US, Japan, and China. The Board composition will also change and there will be two advanced European Executive Directors fewer.

However, for the reform package to come into effect, two conditions must be met. First, members having at least 70 percent of quotas have to consent to the increase of their quotas, and second, the proposed amendment to the Articles of Agreement on reform of the Executive Board has to be accepted by at least 113 IMF members representing 85 percent of the total voting power. While the first condition has been met, the reform of the Executive Board still awaits ratification by a sufficient amount of voting power. Ratification by the United States (voting power of 16.75 percent) is necessary and also sufficient condition for the reforms to come into effect.

NBC view: All the Nordic-Baltic countries have ratified the reforms. We urge members who have not yet done so to complete ratification of the reforms without further delay.

QUOTA FORMULA REVIEW

Context. The quota formula serves as a guide to quota adjustments. It consists of four variables agreed by the membership in 2008. Gross domestic product (GDP) has the largest weight (50 percent; of this 60 percent relates to GDP at market exchange rates, and 40 percent to PPP GDP), openness, measured by the sum of current payments and receipts (30 percent weight); variability of current receipts and net capital flows (15 percent weight); and official foreign exchange reserves (5 percent weight). A compression factor, reducing the dispersion in calculated quota shares across members, is applied to the weighted sum of these variables.

The review of the current quota formula, agreed as part of the 2010 reforms, was completed in January 2013 when the Executive Board submitted its report to the Board of Governors. Discussions under this review provide important building blocks for the Executive Board to agree on a new quota formula as part of the 15th General Review of Quotas, the completion of which has been brought forward by about two years to January 2014.

NBC view. The ongoing quota review must be conducted within the IMF bodies where the interests of all IMF member countries are represented. GDP and openness should remain the most important variables. Openness reflects the member countries' interconnectedness in the global financial and economic system, making it closely related to the very mandate of the IMF and the purpose of quotas. Increasing the weight of GDP relative to openness would decrease the quota shares of two thirds of the membership, developing, emerging and advanced countries alike. A formula which favors a few large members at the cost of a large majority of the membership is neither fair nor acceptable. Voluntary financial contributions should be accounted for when new distributions of quotas are decided.

FUND RESOURCES

Context. The IMF's main backstop for quota resources is the New Arrangements to Borrow (NAB), under which participants from 38 member countries stand ready to lend additional resources to the IMF. Having been substantially expanded since the start of the global and financial crisis, the NAB today amounts to about USD 567 billion. In view of the highly uncertain global economic and financial outlook in late 2011, the Managing Director initiated a process to further increase available financial resources through additional bilateral loans. This resulted in loan pledges to the IMF from 38 countries totaling USD 461 billion (agreements with 25 members have been finalized for a total amount of USD 405 billion) bringing the Fund’s total lending capacity to above USD 1 trillion.

NBC view. Countries in the Nordic-Baltic Constituency have pledged and entered into agreements on new bilateral loans of more than USD 30 billion to the IMF’s General Resources Account. Our constituency has also been supportive of the continuous activation of the NAB, in which Denmark, Finland, Norway and Sweden are participants. At the same time, we underline that the IMF’s resources must continue to be firmly safeguarded and that the main tools to mitigate risks are strong program implementation, program design with tailored and strict policy conditionality, limitations on borrowers’ access to Fund resources, and sustained program ownership by the authorities.

V. SUPPORT FOR LOW-INCOME COUNTRIES

The rapid recovery in many low-income countries (LICs) continued in 2013, but in some countries inflation pressures are gradually emerging. LICs’ debt numbers have been broadly stable on average, but this stability masks diverse dynamics among countries. Since 2009, nine more countries have qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). For these countries, debt ratios continue to decrease as debt is written off. But for countries that received debt relief earlier debt ratios have started climbing again.

In the 2013 April World Economic Outlook, the Fund looked into the LICs’ recent (from 1990 onwards) streak of high growth exploring whether this growth takeoff was not bound to end in a similar fashion as the high-growth episodes of 1960s and early 1970s when growth stalled in the 1980s as global economic conditions worsened. The conclusion was that there are good grounds to be optimistic. The current generation of takeoffs stands apart from those of the 1960s and early 1970s along two key dimensions: first, today’s dynamic LICs achieved strong growth without building obvious macroeconomic imbalances, and second, the takeoffs are also characterized by faster-paced implementation of productivity-enhancing structural reforms and institution building.

In response to the global crisis, the Fund increased concessional lending substantially. In 2009, new concessional lending increased to approximately USD 3.8 billion (from USD 1.2 billion in 2008), but owing to the strong recovery afterwards, the demand for financing moderated in the subsequent years.

IMF provides concessional lending to LICs through the separately funded Poverty Reduction and Growth Trust (PRGT). A strategy to establish a self-sustaining PRGT was endorsed by the Executive Board in September 2012. It includes a further transfer of about USD 2.7 billion to the PRGT. All NBC member countries have pledged to contribute.

REVIEW OF LIC FACILITIES

Context. In April 2013, with broader objectives of meeting the financing needs of its low-income members while preserving the self-sustainability of the PRGT in mind, the Executive Board supported a number of refinements to the LIC facilities framework. Among other changes, a special PRGT-eligibility provision for very small states ("microstates") was introduced. Applying this revised framework, Directors endorsed the proposed entry to the PRGT eligibility list of three microstates: Marshall Islands, Micronesia, and Tuvalu. They also endorsed the proposed graduation of Armenia and Georgia from the PRGT status.

NBC view. We continue to support an active role for the IMF in LICs. The 2009 strategy and the recent refinements in the framework are appropriate and well-tailored to the diverse needs of members. The objective of keeping the eligibility framework transparent, rules-based and parsimonious should be maintained. The membership should stand ready to raise extra funds following the agreed strategy should PRGT lending substantially overshoot projections for an extended period. At the same time, we must ensure that the IMF's engagement is limited to its areas of competence.

ONGOING WORK ON DEBT LIMIT POLICY

Context. The IMF's policy on debt limits places restrictions on how much and what kind of debt countries can contract under an IMF-supported program. The Fund's debt limits policy has been in place since the 1960s, and was last reformed in 2009.

In March 2013, the Executive Directors discussed a set of proposals strengthening the Fund's debt limits policy (outlined in the paper "Review of the Policy on Debt Limits in Fund-supported Programs"). This review proposed to establish a unified debt limit framework ensuring that it is applied consistently across all member countries (though de facto it still concerns overwhelmingly LICs). Given that high levels of concessional debt, often topped-up by non-concessional lending, can also pose risks, the report proposed to strengthen safeguards for debt sustainability focusing more on the *volume* rather than on the *terms* of borrowing. It also proposed measures increasing flexibility for countries to manage their borrowing ensuring that LICs are still able to secure adequate financing for their long-term development.

NBC View. We agree that the Fund's policy on external debt limits should be reformed to establish a unified framework. An open and transparent process is key to make sure that the program debt limits and the concomitant Fund's Debt Sustainability Analyses (DSAs) gain the required legitimacy and credibility. All the relevant documents should therefore regularly be made publicly available and financing assumptions should be explicitly discussed in program documents. This is a prerequisite for holding the responsible policy makers accountable.

VI. INCLUSIVE GROWTH

In order to ensure that the Fund's policy is consistent across the membership and various IMF activities, the Fund formulates its policy line on various other topics falling within the Fund's mandate. In the past six months the Fund has intensely worked on the topical issue of Jobs and Growth and, in February 2013, the Executive Board discussed the Fund's policy on energy subsidies.

JOBS AND GROWTH

Context. The IMF's Articles of Agreement commit the institution to "the promotion and maintenance of high levels of employment and real income." In the aftermath of the crisis, many countries have to find ways to generate growth and create jobs in the face of the strong ongoing global megatrends of technological change, globalization, and significant shifts in demographic trends. The Fund can play a role in helping countries devise strategies to meet these challenges by providing the best evidence-based advice.

In March 2013, the Executive Board reviewed analytical and operational considerations with regards to the issue of Jobs and Growth. The main policy proposals for the Fund is that there is scope for: i) more systematic diagnostic analysis of the growth and employment challenges and the identification of the most binding constraints to inclusive growth; ii) more systematic integration of policy advice on reforms of tax and expenditure policy to create conditions to encourage more labor force participation, including by women; more robust job creation; more equity in income distribution; and greater protection for the most vulnerable; iii) enhanced advice on labor market policies based on currently available empirical evidence and greater collaboration with international institutions such as the World Bank, the OECD, and the ILO on the impact of these policies on growth, productivity, job creation, and inclusion.

NBC view. We appreciate the initiative to look closer at these highly ranked issues in order to establish a framework for the Fund's role on jobs and growth. We emphasize the importance of macroeconomic stability, including financial stability, combined with a strong structural element to boost the supply side, as key foundations of a credible growth strategy. The Fund should pursue this work by focusing, in line with its mandate, on macro and macro-critical issues, and thus fostering growth-generating policies.

ENERGY SUBSIDIES

Context. In February, the Executive Board reviewed the Fund's energy subsidy policy. According to the paper "Energy Subsidy Reform: Lessons and Implications", country experiences suggest that the following ingredients are needed for a subsidy reform to succeed: i) a comprehensive energy sector reform plan with clear long-term objectives with an analysis of the impact of reforms; ii) transparent and extensive communication and consultation with stakeholders, including information on the size of subsidies and how they affect the government's budget; iii) price increases that are phased-in over time; iv) improving the efficiency in state-owned enterprises to reduce producer subsidies; v) measures to protect the poor through targeted cash or near-cash transfers or, if this option is not feasible, a focus on existing targeted programs that can be expanded quickly; and vi) institutional reforms that depoliticize energy pricing, such as the introduction of automatic pricing mechanisms.

NBC view. We strongly support the agenda to phase out fossil fuel subsidies in order to reduce emissions of greenhouse gases, strengthen public budgets, and promote development. Energy subsidies are costly and may crowd out growth-enhancing spending. Since these kinds of subsidies mostly benefit the higher-income groups, adverse effects on the poor are not a good reason to keep energy subsidies. Targeted social safety nets are more efficient. Whether in connection with the regular surveillance or country programs, the IMF should assist, and when necessary, confront countries maintaining energy subsidies.

FURTHER READING

IMFC Statement by Anders Borg, Minister of Finance, Sweden (on behalf of Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden), April 20, 2013.

"The Interaction of Monetary and Macroprudential Policies", IMF Policy Paper; January 29, 2013.

"2013 Review of the Fund's Transparency Policy", IMF Policy Paper; May 14, 2013.

"2013 Review of the Fund's Transparency Policy—Supplementary Information and Revised Proposed Decisions", IMF Policy Paper; June 17, 2013.

"Sovereign Debt Restructuring—Recent Developments and Implications for the Fund's Legal and Policy Framework", IMF Policy Paper; April 26, 2013.

"Review of the Policy on Debt Limits in Fund-supported Programs", IMF Policy Paper; March 1, 2013.

"Jobs and Growth: Analytical and Operational Considerations for the Fund", IMF Policy Paper; March 14, 2013

"Energy Subsidy Reform: Lessons and Implications", IMF Policy Paper; January 28, 2013.

VII. STAFF OF THE OFFICE OF THE NORDIC BALTIC CONSTITUENCY

The Office of the Nordic Baltic Constituency presents the views of our member countries in the IMF's Executive Board in close coordination with our authorities in the eight capitals. The Office also regularly meets with representatives from the member countries' administrations or private delegations. All the positions in the office rotate between the eight member countries according to an agreed schedule and all countries are represented at all times.

By June 30, 2013, our staff includes:

Audun Groenn	Executive Director, Norway
Pernilla Meyersson	Alternate Executive Director, Sweden
Gundars Davidsons	Senior Advisor, Latvia
Kari Korhonen	Senior Advisor, Finland
Ragnheidur Jonsdottir	Advisor, Iceland
Ramune Arust	Advisor, Lithuania
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