

1. Report of the Deputy President.

Deputy President G. Makropoulos informed the Executive Board members that the FIDE President was held in Moscow and will be arriving for the meeting of the General Assembly. He thanked the Olympiad/Congress Organisers as well as the President of the Spanish Chess Federation Mr. Javier Ochoa. Mr. Makropoulos also welcomed an old friend Prof. Nathan Divinsky of Canada to the Executive Board.

FIDE Management.

Mr. Makropoulos informed the Board members that there had been some problems with the management of FIDE and the Presidential Board had to make necessary decisions to solve these problems. Among those problems was the dismissal Mr. Omuku from his position as Executive Director and to receive the personal reimbursement of the FIDE President all the expenses of Mr. Omuku as well as to provide the amount 320, 000 USD for Continental Championships, including women's prize fund.

At the same time the 2003 FIDE Executive Board meeting made a decision to move the FIDE Secretariat from Lausanne to Athens. The main idea was to improve the daily management and due to the fact that he himself lives in Athens he could personally overlook the work. Another factor behind the move is that Athens in nearly every aspect is cheaper than Lausanne.

1.2 The World Chess Championships.

Mr. Makropoulos informed that immediately after the Executive Board meeting, efforts were undertaken to find organisers for the World Chess Championship. FIDE had lost several months but still we managed to organize both the Women's World Chess Championship and World Chess Championship, in Elista and Tripoli. The decision to organise the Women's World Chess Championship in Georgia was made in Halkidiki, 2003 when Vice President GM Azmaiparashvili offered to get support in Georgia. At that period there was no political problems in the country. Mr. Makropoulos said that Georgia has hosted many FIDE events before there and that the Georgian Chess Federation had the support of their President E. Shevardnadze. Later, as FIDE was informed during the Presidential Board meeting in Kotor in February 2004, the political situation in Georgia changed and Mr Shevardnadze lost the elections. FIDE was later informed by the Georgian Minister of Sports of their inability to organise World Women's Chess Championship.

At this difficult moment, the FIDE President and Vice President Z. Azmaiparashvili went to Georgia to speak with Mr. Abashidze, the then Head of Adjara, who is a well known chess sponsor. It was agreed to get his personal support as a sponsor for the event. After this, the Georgian Ministry of Sports informed FIDE that they cannot guarantee safety of the players. Immediately, FIDE arranged a new meeting with President Saakashvili and Abashidze and explained to them and that it is necessary to move from Georgia to another, more safe location and following the proposal of the FIDE President, the event was moved to Elista. Mr. Makropoulos once again expressed the gratitude on behalf of FIDE to the Georgian sponsors, who supported this Championship and provided the prize fund. He also said that the FIDE President rendered his personal support to the success of the Women's World Chess Championship.

Mr. Makropoulos then went on to brief the Executive Board members on the situation with the World Chess Championship 2004. He said that following the decision to look for the organisers for

this event, the only Federation interested, was the Libyan Chess Federation. He said that the budget for the Championship is approximately 2.2 mln USD and therefore, it is not easy to find organisers. After the agreement was reached to host the Championship in Libya, FIDE's main concern was to make sure that all the qualified participants would get visas for their participants. He said that the FIDE President and himself visited Libya twice. Of course, Mr. Makropoulos said, some players were afraid and did not want to travel to Libya. At the end, only GM V. Milov who plays for Switzerland but has an Israeli passport, stayed in the participants list. Regarding the visas, the organisers had a deadline of 31 May 2004 for the passports copies of all the participants. However, Mr. Milov sent his papers only on 7 June 2004.

The FIDE President and Deputy President raised the issue of Mr Milov's participation in direct talks with President Al Gathafi and he immediately gave instructions to make sure that Mr. Milov will get an invitation and his visa. Both the FIDE President and Mr. Makropoulos later spoke to Mr. Milov and offered to cover his airfare and postpone his game of the 1st round for several hours. Mr. Makropoulos also said that GM V. Topalov had his first round game postponed for similar reasons. Mr. Milov informed Mr. Makropoulos that he had already made his mind not to participate. Then Mr. Gelfer in addition offered Mr. Milov that FIDE will guarantee the 2nd round loser's purse in case he loses in the first round. In spite of all these efforts, Mr. Milov did not come to the Championship and is now suing FIDE for financial compensation. Mr. Makropoulos opined that Mr. Milov had to respect the deadline of the Organisers. He said that if he really wanted to play, Mr. Milov could have come. During discussion with Mr. Gelfer, Mr Milov was trying to bargain for more money. Mr. Makropoulos said that from past experience, by filing the suit against FIDE, the players think they can put pressure on FIDE to get financial compensation. In the case of Mr Milov, the FIDE Presidential Board has decided to go all the way through the court without, entering in to out of court settlement.

Mr. Makropoulos concluded under this point that FIDE will face similar visas problems regardless of which country is hosting FIDE events. For example, a Syrian and an Iranian player could not receive visas for World Chess Championship in Las Vegas.

Mr. Makropoulos said that FIDE has to try more to guarantee visas for the participants. He gave the most recent example of this Olympiad in Spain, where several Federations could not get visas, even having applied for visas well in advance.

1.3 Appointment of the Troika.

The Deputy President underlined the need for FIDE to move forward in a more professional and productive way to secure the best level of service and standard for the Chess Federations and the Chess World. Consequently, it was decided by the Presidential Board in Kotor February 2004, to appoint 3 members of the Presidential to conduct the tasks of the Executive Director in addition to their other assignments.

As a result of all the decisions taken this year, Mr Makropoulos said that FIDE is now performing much better than before and that all the Federations receives better service. The new staff in Athens is already performing well and the work of the Elista office is steadily improving. Financially FIDE is not a bankrupt organisation on the way to collapse as some individuals and federations seems to believe. We have 2 mln CHF in our accounts. FIDE is organising the match between the World Champion Kasimdzhanov and GM Kasparov, and we also believe that we can organize the final unification match according to the Prague Agreement. Then FIDE will proceed with the new World Championship cycle in 2005 as was decided in Bled.

If we compare our situation with the past where we depended on the financial contribution of the FIDE President for the prize fund, we are now in a more healthy situation. Mr. Makropoulos mentioned that FIDE secured an organiser for the 2006 Olympiad and that we have two very serious bids for 2008 Olympiad. Therefore it is difficult to understand all the discussions about a speedy collapse of FIDE. He called on the friends who are many years in FIDE, as Honorary President Campomanes, Continental President J. Vega, Honorary Vice President Jungwirth, Prof. Divinsky, who really went through the period of serious past and crises. He called for better cooperation between all of Presidential and Executive Board members, and said that together FIDE will succeed. We should create real bidding procedure, not depending on last minute decision. We need strong Statutes and Regulations, for much better results.

Mr. Makropoulos did not however claim that the situation is without problems. However, he underlined that the situation has greatly improved this year and that we will continue our efforts to perform in a most professional way.

1.4 The Prague Agreement.

Mr. Makropoulos reassured that FIDE will continue its work towards the fulfillment of the Prague Agreement. He reminded the Executive Board members that the promised business plans were never presented to FIDE. In Prague Mr. Makropoulos had been the only one who did not believe that we would receive such business plans. He was also against the proposed unification plans, because players like Anand, Karpov, Shirov, Ivanchuk and Svidler were excluded.

He reminded the Executive Board about the events and situation that led to the cancellation of the Ponomarev-Kasparov match. In order to proceed, it was decided to organize a new World Chess Championship Tournament so that the new World Champion can play the match against Kasparov.

As we all know GM Kramnik has defended his title in the match against GM P. Leko. Mr. Makropoulos expressed his concern that out of the 14 games, 6 or 7 games were quick draws. With a prize fund of 1 million Swiss Francs this does not leave a good impression of exciting chess. He also referred to the fact that Mr. Kramnik in his interview said that he does not feel obliged to play a match against the winner of Kasimdzhanov-Kasparov match and therefore FIDE cannot be sure that we can succeed in organising the final unification match.

In respect of the World Championship regulations, he said that the Presidential Board has to have the authority to make necessary changes in the regulations to avoid the need for an extraordinary General Assembly. Mr. Makropoulos informed the Executive Board members that Kasparov's manager Mr. Owen Williams is asking for the final unification match to be held 18 months later after the Kasimdzhanov-Kasparov match.

Deputy President also said that following the decision that the World Chess Championship title is property of FIDE, we have to be ready for actions if one of the Prague Agreement signers steps out. Traditionally and contrary to other sports federations, FIDE is not an organisation with severe punitive measures against players who violate the agreements. However we have to be ready to defend our rights and positions.

1.5 The Association of Chess Professionals – ACP.

In respect of the Association of the ACP, Mr. Makropoulos said that they can be helpful to chess development, but he expressed his reservations that this might not be the main target of some ACP members as they seem to have their own agenda.

FIDE informed the ACP very early in a response to their first letter, that we were ready and open for any discussions and meetings. However, the way ACP was requesting changes in the player's undertakings for the World Chess Championship, was not correct and this request came after almost 50 players had already signed and returned the undertaking. Mr. Makropoulos also informed the Executive Board members that the ACP tried to influence the female players not to participate in the Women's World Chess Championship. This action failed as for women GMs, but the ACP managed to persuade few male Grandmasters not to participate in the Tripoli Championship.



Georgios Makropoulos
Deputy President, FIDE