

INTERNATIONAL MONETARY FUND

January 10, 1980

Mr. ~~Stura~~ *Mr. Mookajee*

I asked Mr. Iqbal to prepare the attached which looks OK to me. Please give me your views. Tomorrow is Iqbal's last day in the office.

Attachment

cc: Mr. Finch

DK
D.K.
[Signature]

Donald K. Palmer

Mr Palmer

INTERNATIONAL MONETARY FUND
WASHINGTON, D. C. 20431

CABLE ADDRESS
INTERFUND

January 10, 1980

MEMORANDUM

To: ✓ Mr. Palmer
Mr. Mookerjee

From: Zubair Iqbal

Subject: Arab Monetary Fund--Draft Letter

The attached draft of a letter which the Arab Monetary Fund could use in order to request technical assistance from the Fund was prepared after consultation with Mr. King and Mrs. Mott of the Administration Department. In their comments on an earlier draft of this letter, Mr. King and Mrs. Mott indicated that a formal request must not refer to any particular staff member by name, otherwise it could be misconstrued by the Executive Board. In addition, they felt that the Arab Monetary Fund will need to determine, in detail, the justification for seeking technical assistance and it will have to be prominently stated in the request. This aspect will, of course, be crystalized during the forthcoming staff visit to Abu Dhabi.

Attachment

(cc: Mrs. Mott 1/14/80)

DRAFT
1/10/80

Dear Mr. de Larosiere:

Further to our discussions in Belgrade during the 1979 Annual Meeting and subsequent contacts with the staff, I wish to request technical assistance from the International Monetary Fund in the formulation and implementation of rules and procedures relating to the use of Arab Monetary Fund resources. Such assistance would also be drawn upon to advise the Arab Monetary Fund on matters relating to.....

It would be highly appreciated if a suitable Fund staff member is assigned to the Arab Monetary Fund initially for a period of one year starting, 1980 renewable for another year subject to mutual agreement. The terms and conditions of the staff member's assignment will be determined by the IMF's rules governing assignments of staff members under its technical assistance program. The Arab Monetary Fund will reimburse the IMF for the full cost of the staff member's assignment with us.

I look forward to your positive response.

Very truly yours,

Dr. Jawad Hashim
President
Arab Monetary Fund

Mr. J. de Larosiere
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

**SPECIAL DELIVERY
CABLE**

ABU DHABI, DECEMBER 16 1979

RECEIVED
I.M.F.

1979 DEC 16 AM 8:24

CABLE
ROOM

Mr. Palmer
Mr. Mookerjee
Mr. Iqbal

398367

FROM ARAB MONETARY FUND

TO INTERFUND WASHINGTON D.C.

ATTN MR. ERNEST STURC

DIRECTOR

EXCHANGE AND TRADE RELATIONS DEPARTMENT

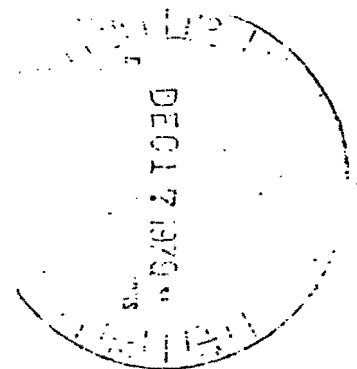
THANK YOU FOR YOUR LETTER OF NOVEMBER 20 CONCERNING
MR. MOOKERJEE'S AND MR. IQBAL'S VISIT TO THE A.M.F.
SOMETIME IN JANUARY 1980.

I WILL BE GLAD TO SEE THEM HERE IN ABU DHABI AND
DISCUSS THE RELATED MATTERS WITH THEM.

REGARDS

DR. JAWAD HASHIM

PRESIDENT



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NOV 20 1979

Dear Dr. Hashim:

Following my return to Washington, I have discussed the question of additional Fund cooperation with my colleagues and subsequently with the Managing Director. As a result, I am now able to suggest the following approach.

We believe that the appropriate form of Fund assistance would be a full-time assignment of an experienced staff member who would be able to provide technical assistance to the Arab Monetary Fund. His assignment would be for one year, subject to extension for a second year by mutual agreement. The economist that we have in mind is Mr. Zubair Iqbal, Senior Economist, Exchange and Trade Relations Department. Mr. Iqbal, a national of Pakistan, received his Ph.D. from Michigan State University and joined this department in 1972. He has had a wide variety of country and functional assignments, including participation in a number of missions of the Middle Eastern Department.

Because of family arrangements, Mr. Iqbal would not be able to take up such an assignment until about June 1, 1980. If you are interested in pursuing this possibility, it would be possible for Mr. Mookerjee and Mr. Iqbal to visit your institution for a few days in January. Mr. Iqbal will be participating in a consultations mission to Saudi Arabia at that time and Mr. Mookerjee will be in Europe for a meeting of the consultative group on Sudan. Their visit could also be an opportunity to give you general information on Fund developments and practices in areas of mutual interest. If you decide to proceed with Mr. Iqbal's assignment, you could then send a formal request to the Managing Director. Consistent with our discussion in Belgrade, we would expect that the full cost of Mr. Iqbal's assignment would be reimbursed to the Fund by the Arab Monetary Fund. A recent calculation by our Administration Department indicated that the full cost for an assignment of one year would approximate \$90,000.

I look forward to receiving your reactions to the above suggestions.

Very truly yours,

15/
Ernest Sturc
Director

Exchange and Trade Relations Department

Dr. Jawad Hashim
President
Arab Monetary Fund
P.O.Box 2818
Abu Dhabi
United Arab Emirates

cc: ADM - Mr. Clark
MED - Mr. Shaalan
Mr. Mookerjee
Mr. Iqbal

DKPalmer:mcm
November 20, 1979

NOV 20 1979

Dear Dr. Hashim:

Following my return to Washington, I have discussed the question of additional Fund cooperation with my colleagues and subsequently with the Managing Director. As a result, I am now able to suggest the following approach.

We believe that the appropriate form of Fund assistance would be a full-time assignment of an experienced staff member who would be able to provide technical assistance to the Arab Monetary Fund. His assignment would be for one year, subject to extension for a second year by mutual agreement. The economist that we have in mind is Mr. Zubair Iqbal, Senior Economist, Exchange and Trade Relations Department. Mr. Iqbal, a national of Pakistan, received his Ph.D. from Michigan State University and joined this department in 1972. He has had a wide variety of country and functional assignments, including participation in a number of missions of the Middle Eastern Department.

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Dr. Jawad Hashim
President
Arab Monetary Fund
P.O.Box 2818
Abu Dhabi
United Arab Emirates

cc: ADM - Mr. Clark
MED - Mr. Shaalan
Mr. Mookerjee
Mr. Iqbal

DKPalmer:mcm
November 20 1979



Office Memorandum

~~7th Date~~
[Handwritten signature]

TO : ~~The Managing Director~~
The Deputy Managing Director

DATE: November 15, 1979

FROM : Ernest Sturc *[Handwritten initials]*

SUBJECT : Technical Assistance to the Arab Monetary Fund

In my memorandum of October 4 (copy attached) I reported on my conversations with Mr. Jawad Hashim, President of the Arab Monetary Fund. In agreement with the Middle Eastern and Administration Departments, the following proposal is submitted for your consideration.

It is proposed that Mr. Zubair Iqbal, Senior Economist, ETR, be assigned, as a Fund staff member, to provide technical assistance to the Arab Monetary Fund. The period of assignment would be one year, with provision for extension of a maximum of one more year. Mr. Hashim had indicated that the Arab Monetary Fund would wish to pay for the cost of such assistance and, given the organization's ability to pay, it would be appropriate that it pay for the costs. The Administration Department has made calculations indicating that the annual costs for such an assignment would be about \$85,000 (see attachment). We have tentatively discussed this assignment with Mr. Iqbal who is willing to undertake it. However, because of family arrangements, he would not be able to take up the assignment until about June 1, 1980.

If you approve the proposed assignment, the next step would be to communicate with Mr. Hashim on this matter. We would suggest to Mr. Hashim that in January Mr. Mookerjee and Mr. Iqbal would visit the Arab Monetary Fund for a few days to discuss any general issues that Mr. Hashim might have in mind, as well as to firm up the arrangements for Mr. Iqbal's assignment. Mr. Iqbal's travel would be arranged in connection with his participation in a consultations mission to Saudi Arabia. After the visit, Mr. Hashim would make a formal request to the Fund for technical assistance, which would be submitted for Executive Board approval.

Attachments

cc: ADM
MED

[Handwritten signature]
[Handwritten line]





Office Memorandum

TO : Messrs. Cole and Huddleston

FROM : Donald K. Palmer

SUBJECT : Technical Assistance to the Arab Monetary Fund--
Staffing Implications

DATE: November 19, 1979

As you will see from the attached memoranda, the Managing Director has approved the proposal to assign Mr. Zubair Iqbal to the Arab Monetary Fund for one or two years. The proposal had been discussed with Mr. King and cleared with Mr. Clark.

Unlike most other forms of technical assistance, the full cost of Mr. Iqbal's assignment will be borne by the Arab Monetary Fund. Under these circumstances, we propose that Mr. Iqbal's absence from headquarters should be treated as creating a vacancy on our staff. In other words, we would be able to recruit against his position for such time as he was on assignment with the Arab Monetary Fund.

Because this is both a budget and a personnel issue, I thought I would raise the matter with you jointly.

Attachments



Office Memorandum

TO : The Managing Director
The Deputy Managing Director

FROM : Ernest Sturc

SUBJECT : Technical Assistance to the Arab Monetary Fund

DATE: October 4, 1979

1. On the suggestion of the Managing Director at Mr. Shaalan's dinner party last night, I had a talk this morning with Mr. Jawad Hashim, President of the Arab Monetary Fund. I told him that we had been thinking over his proposal made last night and I had come to two conclusions, which I would present to you:

(i) That we should definitely try to be helpful to the Arab Monetary Fund.

(ii) That we should like to work with his Fund closely in helping common members to make appropriate adjustments and to pursue sound economic policies. Their resources would certainly be helpful to reinforce our own in achieving the above ends. Mr. Hashim thanked us once again for our earlier collaboration with his institution and he hoped that we would continue to assist him in the operational take-off of his institution. He was especially gratified by our collaboration with the Arab Monetary Fund in recent months in the case of the Sudan.

2. I told Mr. Hashim that last night and this morning I had had long conversations with Mr. Mookerjee. For various reasons it would not be feasible for us to have Mr. Mookerjee absent from the Fund for two full years. I pointed out that it would be essential in the period ahead, when policies and mechanisms of assistance and adjustment would tend to undergo considerable change, for Mr. Hashim to be kept abreast, and in a timely manner, about the policy thinking in Washington. Accordingly, I told him that my suggestion to you would go along the following lines.

We would send him as an assistant, a man of Senior Economist or Assistant Division Chief level who, in our view, is fully conversant, from a practical as well as a theoretical point of view, with our operational facilities, and who could be at hand in Abu Dhabi all the time to advise on matters of technique and procedure. Moreover, when questions beyond the technical assistant's knowledge arose, he could easily contact Mr. Mookerjee in Washington for help. In addition, to help evolve Mr. Hashim's own thinking and his policy initiatives, we would suggest that Mr. Mookerjee should visit Abu Dhabi at periodic intervals over eighteen to twenty-four months. We will have ample opportunity after a year's operation of such a system to review its efficacy.

3. I emphasized that this was purely my own thinking in light of the situation in my department and in regard to Mr. Mookerjee, and that I should explore this with you after my return to Washington in the first week in November. I told Mr. Hashim that I would communicate with him the result of our discussions upon my return, but that he could be assured, as the Managing Director indicated to him yesterday, that we want to be of the utmost help to him in this task.

Mr. Hashim departed on that note. I had the feeling he was most happy with my response.

cc: Mr. Shaalan
Mr. Watson



Office Memorandum

TO : Mr. Palmer
FROM : H. King
SUBJECT : Arab Monetary Fund

DATE: October 31, 1979

Attached is the paper describing the administrative guidelines for staff sent on technical assistance assignments as advisors or resident representatives. With regard to the provision of technical assistance to the Arab Monetary Fund, our record indicates only one assignment has been made under the program. This was undertaken by Mr. L. Hebbard who went as a Consultant under the CBS program for the period July 11 to September 23, 1977.

As we discussed, with regard to procedures required to initiate a technical assistance assignment, the Arab Monetary Fund would have to first make a formal request to the Fund for such assistance. The request, after Management approval, would then be submitted to the Executive Board for discussion. You are no doubt aware that many Directors feel international institutions should pay a substantial part of the cost of a technical assistance assignment. Such contribution is usually made on the basis of the organization's ability to pay and this amount would need to be determined.

Attachment



Office Memorandum

TO : Mr. Palmer

DATE: November 6, 1979

FROM : H. King

SUBJECT : Arab Monetary Fund--Assignment of Staff Member

As agreed, I am sending you a list of technical assistance assignments of experts which have been made to regional organizations and the financial contribution made by the recipient organization in each instance. Also included is an excerpt from the Technical Assistance Review paper which summarized briefly staff assignments to such organizations. As you can see, only one organization (CAMU) received long-term technical assistance from Fund staff and because of the circumstances, no contribution was requested by the Fund. If that assistance were provided today, the Fund would have required some contribution from the organization.

You are aware of the terms under which assistance was provided last year to the European Space Agency. The final cost the Fund billed to that agency for assistance provided was \$90,000 (October 1978) which included salaries for regular staff, retirement contributions, business travel and miscellaneous costs. A similar calculation for Mr. Iqbal has also been prepared and is attached. A breakdown of the assignment allowance components, a copy of which has been given to Mr. Iqbal by Mrs. Mott, is also attached.

Attachments

Technical Assistance Granted by the Fund
to Regional Institutions or Intergovernmental
Groups

(undertaken by outside experts on
long and short-term assignments)

Central Banking experts assigned to:

	<u>Assignment ends</u>	<u>Country Contribution</u>
Arab Monetary Fund		
One expert for three months (2 visits)	1977	Full costs (second visit only)
Central African States (BEAC)		
One expert for three years	1979	\$8,000 p.a. plus free house for two years
Central American Monetary Council (CAMC)		
Three experts: 1. two years	1973	\$3,000 p.a.
2. 15 months	1978	9,000 p.a.
3. 1 year	1979	9,000 p.a.
Central American Bank supervision seminar		
Two experts: 1. 11 days	1977	None
2. 7 days	1977	"
1 expert 1 year	1979	\$12,000 p.a.
Central American Bank supervision seminar East Caribbean Currency Authority (ECCA)		
Three experts: 1. one year	1976	\$2,400 + free h
2. one year	1978	" " "
3. one year	1979	" " "
West African States (BCEAO)		
Eight experts: 1. Three years	1978	\$9,000
2. Four years	1979	\$5,000 + free h
3. One year	1977	\$9,000
4. Four years	1980	\$5,000 + free h
5. One year	1977	\$12,000
6. Six months	1978	\$5,000 + free h
7. Two years	1979	\$9,000
8. One year	1979	\$5,000 + free

Fiscal Affairs Experts assigned to:

East African Community

Three experts: 1. Two months	1970	Free housing
2. Two months	1970	" "
3. Three weeks	1971	" "

West African Economic Community

Two experts: 1. Two months	1974	Free car
2. Ten weeks	1974	" "

January 16, 1979

and return, the shipping costs for a few household and personal effects, and storage charges for the balance. It was subsequently agreed in the budget for financial year 1959 that, if the recipient country was unable to make an adequate contribution, the Fund could pay the staff member a supplementary allowance.

STAFF

The Fund's technical assistance to international and regional institutions has on the whole been in the form of short-term assignments. In keeping with the practice followed for similar assignments to individual member countries the Fund has, with a few exceptions, borne the full costs. In one instance, a regional institution of several Middle Eastern members reimbursed the Fund for local expenses. In the case of long-term assignments to the Central American Monetary Union in 1965 and 1968, the matter of contribution had been carefully reviewed by management, and in recognition of the limited resources of the organization, the decision was not to request a cash contribution.

2. Arrangements for experts

The experience gained in administering long-term staff technical assistance assignments has helped in formulating the policies for outside experts. When the Fund announced the Panel of Central Bank Experts project in August 1963, the terms of service for the experts were described as follows:

"...The Fund would establish general standards which would be designed to ensure proper compensation for [the expert]. It would also establish criteria for the allocation of financial responsibility between the requesting institution or government and the Fund."

Later that year, management recommended to the Board certain basic standards to serve as guidelines for administering the central banking program, indicating that some flexibility would be necessary in recruiting experts from many sources to assist institutions in various locations and circumstances. The basic guidelines adopted by the Board were set forth in EBAP/63/111, as follows.

"...The Fund would pay [the expert's] salary and allowances and grant benefits similar to those of regular staff members, but the period of service would be fixed. Where applicable, the expert would be entitled to dependency and education allowances, and he could be accompanied by family members for long-term assignments. He would also be eligible for medical and life insurance coverage. Since he would not be a Fund staff member, he would not participate in the Fund's Staff Retirement Plan, but if he were a participant in the pension plan of another employer, the Fund would pay the contribution normally payable by that employer if the employer requests. The expert would be governed by the leave and vacation practices of the requesting institution or government. The Fund would reserve the right to terminate the arrangement before completion of his term and would repatriate the expert and family members on payment of appropriate compensation... "