



INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

MANAGING DIRECTOR

CABLE ADDRESS  
INTERFUND

December 17, 1993

To: Members of the Staff

Policy on Business Travel

Since its inception, the Fund has maintained the policy that all air travel on official business should be by first class. Up to now I have felt justified in firmly defending this policy. My primary reason for this has been that you are working under very heavy pressure and that Fund missions deserve the best conditions we can reasonably provide for them. I have also argued that a change would be inappropriate in view of the unprecedented demands that have been made on the institution and its staff in recent years.

However, changing circumstances have made it harder to maintain this position. In recent years we have seen the introduction and progressive improvement of business class, to the point where it has become the norm for business travellers. Other institutions have either changed their travel policies so as to greatly restrict the use of first class travel, or have eliminated it altogether. As far as I am aware, the Fund is the only international organization that has retained a uniform first class standard.

I will continue to defend with conviction those administrative arrangements that I see as essential to your status as international civil servants or to the Fund's ability to attract and retain an international staff of the highest calibre. Nevertheless, I can no longer regard the right to travel first class as necessary to achieve these objectives; and it has become clear to me that retaining this right is materially damaging the public image of the Fund, weakening the support for our institution in the member countries, and distracting attention from more important issues. I have, therefore, reluctantly concluded that the time has come to revise the Fund's policy on class of travel.

Before deciding the precise form that the new policy should take, I discussed a number of possible options with the administrative staff. In particular, we considered differentiating the class of travel according to the length of the trip, as the World Bank did for a number of years. All the alternatives tended to be rather complicated to administer and explain; but they were also open to a more fundamental objection. As the experience of the Bank has demonstrated, if the Fund were to retain a first class travel standard for certain types of trips it would still be subject to criticism on the ground that much of its travel is by first class, and the pressure to change its travel policy would continue.

Taken together, these are my reasons for deciding that, for trips beginning on or after January 1, 1994, all staff business travel outside the United States and Canada should be based on a single, uniform standard of "one class above economy". Airlines in some regions of the world only give travellers a choice between economy and first class, and in those few cases the Fund will pay for a first class ticket. Apart from this, however, the effect of the policy will be to make business class the norm for all business trips outside the United States and Canada. The norm for business trips within the United States and Canada will be economy class. The Executive Directors have adopted a similar policy for themselves and members of their offices. As you are probably aware, the World Bank has now also adopted this policy.

I recognize that this new travel standard will lead to some change in staff travel patterns, with some consequential effects that may offset part of the cost savings on tickets, and I have instructed the Administration Department to review with the travelling departments and the Staff Association Committee ways in which we may be able to ameliorate the impact of the new policy on the travelling staff. The review will, among other things, look at our internal guidelines and practices regarding rest days at the end of long journeys, so as to ensure that full weight is given to the need for travelling staff to recover from the adverse effects of travel before beginning mission work or resuming work at headquarters. I expect to see the results of this review by the end of January.

I very much hope also that the substantial increase in the number of staff positions authorized by the Executive Board at my request will soon help to reduce somewhat the pressure on the operational departments. This reinforcement, together with new guidelines to reduce the number of missions to the strict minimum, should over time lead to a gradual reduction in the amount that some of you are obliged to travel--particularly those who consistently travel more than our preferred maximum of 50 working days a year.

I know that many of you are concerned and disappointed about the change in travel policy. Nevertheless, I hope you will understand my conclusion that the change is necessary and is in the longer term interests of the Fund.

A handwritten signature in dark ink, appearing to read 'Michel', followed by a long horizontal stroke.

Michel Camdessus  
Managing Director