

1. STAFF COMPENSATION - 1986 ADJUSTMENT

The Executive Board has confirmed its earlier endorsement of a 2.4 percent average merit increase for staff as incorporated in the 1986/87 Administrative Budget. The Board has also endorsed the figures of a 1.4 percent increase in staff salaries in ranges A1-A8 and a 2.9 percent increase in staff salaries in ranges A9-B5 as they stem from the application of the present system of determining compensation in the Fund and the Bank. However, the majority of the Board has indicated that these increases should be implemented only in light of the review by the Joint Bank/Fund Committee of Executive Directors on Staff Compensation of the methods of determining compensation in the institutions. Directors agreed that if the outcome of the Committee's work as approved by the Executive Board showed that the increases are justified, they will be implemented retroactive to May 1, 1986.

It was also accepted by Directors that if by the end of the year the Joint Committee exercise had not been finalized at the Board level, management, taking into account staff morale, would take the initiative to ask the Board to implement the increases proposed in EBAP/86/90 (5/11/86), in the light of all the relevant considerations.

Adopted May 21, 1986