



INTERNATIONAL MONETARY FUND  
WASHINGTON, D. C. 20431

CABLE ADDRESS  
INTERFUND

MANAGING DIRECTOR

June 3, 1994

To: Members of the Staff

Mr. Herbert will have served as the Fund's Ombudsman for five years as of the end of July. In accordance with the practice applied during the time of the previous two incumbents of the Ombudsman position, the maximum term of service for this position has been established at five years. As a result, Mr. Herbert's term will be completed next July.

The Staff Association Committee has forwarded to me a petition signed by many staff members, asking that consideration be given to extending Mr. Herbert's term of office exceptionally for a minimum period of two years. Mr. Erb met with the Chairperson of the SAC this week to hear their views. They explained that the request is based on the effective job being performed by Mr. Herbert and the view that continuity in the Ombudsman position would be desirable at this time, partly in light of the number of personnel policies being reviewed and the recent initiation of the Administrative Tribunal.

The petition makes clear the high regard felt by a large number of staff for Mr. Herbert. He has indeed made a significant contribution over the past five years in dealing with individual problems; and in his annual reports he has alerted us to areas of concern and provided us with ideas on ways to deal with the problems. I join with the staff in thanking him for his hard work, insights, and commitment to the well-being of the institution and the staff. The petition is also a testimony to the importance many staff attach to the general position of the Ombudsman, and I am glad to take this opportunity to emphasize that I share this commitment to a strong and effective Ombudsman function.

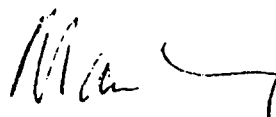
Nevertheless, I believe that the concept, dating from the time of the original Ombudsman, of a five-year limit on tenure is sound; it may be useful to give the background.

In the initial report of a Staff Working Group on Grievance Procedures, the recommended term of the Ombudsman's service was "... a non-renewable contract, probably for a period of three years, but in any event for not less than two or for more than five years." Thus, the concept of a non-renewable contract and a five-year limitation was there from the outset, and was applied in respect of the first two Ombudsmen. In his final annual report, Mr. Harris - a previous Ombudsman - noted, "...it was decided that the terms of service for the Ombudsman, ideally, should be five years so as to maintain his or her detachment from the Fund. In this way, the Ombudsman would not be seen as too close to any part of the Fund or its staff."

Experience to date strongly suggests that there should be an initial period (probably of a year) to allow a new Ombudsman to settle down, and for a decision to be made prior to the end of that period whether the appointment should be confirmed through to the end of a five-year term. That decision would involve consultations with all parties, including management, the SAC, and the Administration Department. But once a confirmation is agreed (and, of course, barring exceptional circumstances), the Ombudsman should have security of tenure during the remainder of the five years.

This avoids a situation in which the renewal of what is, inevitably, a sensitive and, at times, controversial position becomes a subject of debate. More importantly, it helps underscore the complete neutrality and independence vital to the Ombudsman position, since it avoids any perception that the normal tenure of the Ombudsman is related to how management, supervisors, or the staff at large view his performance. For these reasons, while recognizing the strength of feeling indicated by the petition, I have decided not to alter the existing practice since I believe it continues to serve the best interests of both the staff and the institution.

I should say, in conclusion, that a Search Committee has been formed to consider candidates for the Ombudsman position and to discuss the terms of reference. The SAC is represented on this Committee. Mr. Herbert himself is kindly helping us in the search process and will, in addition, help to ensure that the transition process is as smooth as possible.

A handwritten signature in dark ink, appearing to read 'Michel Camdessus', with a stylized flourish at the end.

Michel Camdessus