

DOCUMENT OF INTERNATIONAL MONETARY FUND AND NOT FOR PUBLIC USE

MASTER FILES

CONFIDENTIAL

ROOM C-12B

14

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 85/4

3:00 p.m., September 5, 1985

Zhang Z., Chairman

Executive Directors

M. Finaish

A. Kafka

P. Pérez

Alternate Executive Directors

Mwakani Samba

L. Leonard

T. A. Clark

A. S. Jayawardena

A. Wright, Secretary

R. S. Franklin, Assistant

Also Present

J. de Groote

Y. A. Nimatallah

M. K. Bush

H. A. Arias

B. Jensen

O. Kabbaj

Administration Department: D. A. Anderson, J. G. Keyes,  
P. D. Swain, M. Rosseel. Office of the Managing Director:  
R. Nöe, Internal Auditor. Secretary's Department:  
E. J. Capbert, B. R. Hughes, M. J. Papin. Advisor to  
Executive Director: J. Hospedales. Assistant to Executive  
Director: M. B. Chatah.

1. REMUNERATION OF ADVISORS

The members of the Committee considered a staff paper on remuneration of Advisors to Executive Directors (EB/CAM/85/37, 8/7/85).

The Chairman observed that the staff paper outlined three possible percentage increases in Advisor remuneration: the first, which provided for a 5.85 percent increase, maintained the relationship between Advisors and Alternates that had been in effect since 1979; the second provided for a 7 percent increase, the same increase in absolute terms that had

been given to Alternate Executive Directors; the third option provided for a 6.43 percent increase that was midway between Option 1 and Option 2. It should be noted that the World Bank's Committee on Directors' Administrative Matters had agreed at a recent meeting to recommend Option 1 to its Executive Board for approval.

Mr. Leonard said that although he could see grounds for maintaining the position of Advisors relative to Alternates that had obtained since 1979, his preference was to maintain the current relationship between Advisors and Assistants. An opportunity for compromise between the two was offered by the 6.43 percent increase provided for in Option 3, and he was prepared to go along with that option.

Mr. Kafka considered that Committee members should not feel bound by the options presented in the staff paper. He himself could accept the same or a somewhat higher increase for Advisors than that granted to Assistants. While it was true that such an increase would change the relationship between Advisors and Alternate Executive Directors, the change might draw attention to the belief of many Directors that their Alternates were underpaid. In the circumstances, his preference was for Option 2 or at least for an increase of 6.7 percent.

Mr. Mawakani indicated that the preference of his chair was for Option 2, which provided for a 7 percent increase in remuneration of Advisors, but he could go along with a 6.7 percent increase if that proposal were to be supported by others.

Mr. Clark said that from the point of view of terms and conditions, the position of Advisor was far more akin to that of the Executive Director and Alternate than was the Assistant. That difference was explicitly recognized insofar as an Assistant promoted to Advisor had to leave the Fund staff. He preferred to maintain the relationship established in 1979 between the salaries of Advisors and Alternate Executive Directors and therefore supported Option 1.

Mr. Pérez, agreeing with Mr. Kafka that Alternate Executive Directors were underpaid, stated that the preference of his chair was for Option 3.

The Committee Secretary, responding to a question by Mr. Jayawardena, observed that equivalent decisions in the Fund and the World Bank on Advisors' remuneration were not mandatory. However, a policy of parallel adjustments had been followed every year since the position of Advisor had been established in the Bank. Adjustments for Executive Directors and Alternates in both the Fund and the Bank were recommended by a Joint Committee of the two Boards of Governors. Those adjustments had been identical since at least 1968.

Following a further brief discussion in which Mr. Clark maintained the preference of his chair for a 5.85 percent increase, all other members of the Committee, together with Mr. Nimatallah, Mr. Kabbaj, Mr. de Groote,

and Mr. Jensen, expressed their willingness to go along with a 6.7 percent increase in Advisors' remuneration. It was agreed, in accordance with the usual practice, that the Committee's recommendations would be reported to the Bank's Committee on Directors' Administrative Matters. After giving the Bank's Committee an opportunity to review its position, a draft report and recommendation for submission to the Executive Board would be circulated to Committee members for their approval on a lapse-of-time basis.

## 2. ANNUAL MEETINGS - OFFICE SPACE

Mr. Nimatallah asked that his colleagues on the Committee give consideration to a problem that had arisen of late with regard to the provision of office space for Executive Directors at Annual Meetings. For the Seoul meetings, in particular, he had been provided with rented office space beginning October 5. However, in connection with meetings of the Group of Twenty-Four, he would need to be in Seoul as early as October 1. It was his understanding that the Korean Government had provided, free of charge, a large number of rooms for use by Fund and Bank staff at the Annual Meetings, and he had asked the Joint Secretariat for an office from that free space for the period October 1-5, after which he intended to move into his rented space. He had been told that according to a policy recommended by the Committee on Administrative Matters and approved by the Executive Board, he was not "entitled" to free office space at the Annual Meetings, an entitlement that was apparently granted to only a few constituencies and one or two Executive Directors.

There appeared to be some element of discrimination in the agreed policy, Mr. Nimatallah continued. In his view, every Executive Director and staff member attending Annual Meetings, either in Washington or abroad, should be entitled to a minimum of free office space, to be taken up or not at the individual's discretion. He could not accept being told that he had no right to a free office from among all the space that had been allotted to the Joint Secretariat at no charge.

The problem at issue was twofold, with both a general and a specific aspect, Mr. Nimatallah considered. The general policy regarding office space for Executive Directors at Annual Meetings should be reviewed on the basis of a staff paper, which he hoped would take account of his view that all Executive Directors should be offered some minimum free office space, to take up or not as each Director saw fit. In the meantime, he would appreciate a solution to his particular problem of office space at the Seoul meetings.

The staff representative from the Bank/Fund Conferences Office remarked that space had been found for a number of Executive Directors who had requested office space in advance of October 5 in connection with various ancillary meetings. What the Joint Secretariat could not do under existing policy was to provide the requested space free of charge.

The Committee Secretary added that on July 6, 1983, the Executive Board had approved on a lapse-of-time basis the guidelines set forth in EBAP/83/177 for, inter alia, the provision of offices for Executive Directors at Annual Meetings. The operative paragraph in these guidelines stated that "beginning in 1970 offices have been provided at Annual Meetings for a limited number of Executive Directors.... The rationale for this arrangement is very similar to that for providing local secretarial help--namely, the needs of those Executive Directors who are elected by large constituencies and have additional work load because of the caucus activity." In order to change that policy, a new decision would have to be adopted by the Executive Board. Moreover, it was his understanding that in accordance with Mr. Nimatallah's instructions, two offices had been reserved for the Saudi Arabian delegation for occupation on October 2. He had not been aware until the present discussion that in place of those two rooms, Mr. Nimatallah wished to have different space free of charge.

Mr. Nimatallah noted that Executive Directors were no less officers of the Fund than were those staff members who would be occupying free office space for the entire period of the Annual Meetings. As an officer of the Fund, he deserved some minimum space, and he asked the Committee to find some means whereby such space could be provided to him free of charge from October 1-5, 1985. He could not accept paying for space that was already being provided at no cost to the Joint Secretariat; and if he received a bill for such space, he would return it to the Fund.

Ms. Bush, Mr. Leonard, Mr. Finaish, Mr. Kafka, and Mr. Pérez indicated that, on an exceptional basis, a solution should be found to Mr. Nimatallah's short-term problem. Later, the general policy could be reviewed on the basis of a staff paper.

Mr. Jayawardena noted that an ad hoc solution to Mr. Nimatallah's problem could contravene the guidelines laid down by the Executive Board. While he was willing to go along with any reasonable solution, he felt that it should be submitted to the Executive Board for approval.

Mr. Finaish, Mr. Clark, and Mr. Kafka expressed a preference for dealing with Mr. Nimatallah's problem without bringing it to the attention of the Executive Board.

Mr. Kafka wondered whether it would be possible to provide Mr. Nimatallah with a room put at the disposal of the staff but not occupied by any staff member during the short period between October 1 and October 5, 1985.

The Committee Secretary remarked that he would do his best to follow the instructions of the Committee in attempting to provide Mr. Nimatallah with office space free of charge for the period October 1 through October 5, 1985. However, he asked Committee members to recall the informal discussions in 1982/1983 when the Joint Secretariat had been criticized by Executive Directors for providing space at Annual Meetings free of charge without the Executive Board's prior approval.

The Committee asked the Secretary to meet Mr. Nimatallah's request for free office space in the period October 1-5 and agreed to discuss at a later date, on the basis of a staff paper, the general policy of the provision of office space for Executive Directors at Annual Meetings.

3. TEMPORARY SECRETARIAL ASSISTANCE

The members of the Committee considered a memorandum from Mr. Dallara (EB/CAM/85/44, 9/5/85) containing a proposal that the Committee establish a provision that would make it easier for Executive Directors to obtain temporary secretarial help as needed.

Ms. Bush observed that Mr. Dallara's memorandum had been prompted by a recent situation in which Mr. Dallara's office, in need of temporary secretarial assistance to complete a special project, had discovered that no provision existed for such temporary help for Executive Directors, even during heavy work load periods. As she understood it, Fund department heads could request, through the annual budget process, extra secretarial help for peak work load periods, and she hoped that that procedure could be adapted for use by Executive Directors. At the moment, the only option open to Directors was to request assistance on overtime, a rather costly and inefficient approach to the problem.

The Committee agreed that there should be provisions whereby temporary secretarial assistance would be made available to Directors' offices at times of peak work load. The Committee directed the staff to prepare a paper on the subject that could be used as the basis for recommendations to the Executive Board.

4. NONOFFICIAL FUND TRAVEL - PROVISION OF MEDICINE TO SPOUSES

Mr. Kafka remarked that his spouse's recent request for medicine in connection with her travel to the Annual Meetings in Seoul had been denied by the Fund Health Room. He asked for clarification of the policy on which that refusal had been based.

The staff representative from the Administration Department replied that travel by the spouse of an Executive Director or Fund staff member was not considered official travel unless it was paid for by the Fund. Without a travel authorization form of the sort that would be provided for home leave travel or points trips, the Health Room had no way of monitoring the dispensation of medicine. In earlier years, in the absence of travel authorizations, spouses had been charged for the cost of the medicine dispensed; for many years, however, the policy has been to fulfill medicinal requirements of spouses only in the case of official travel.

Mr. Kafka, supported by Mr. Nimatallah, proposed that, at least for Annual Meetings abroad, arrangements be made to provide vaccinations and other relevant medicines to spouses of Executive Directors, whether or not travel authorizations had been issued.

Other members of the Committee agreed that a way should be found to enable spouses of Executive Directors traveling to Annual Meetings abroad to receive appropriate medication through the Fund Health Room.

The staff representative from the Administration Department stated that, in view of the support of the Committee for Mr. Kafka's proposal, the Health Room would be asked to change its procedures so that spouses of Executive Directors traveling to the Annual Meeting in Seoul could be provided on request with appropriate medicine.

The Committee, having concluded its discussion of the various items on its agenda adjourned at 5:20 p.m.

APPROVED: June 3, 1986