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CONFIDENTIAL

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 89/3

10:00 a.m., March 27, 1989

A. Kafka, Acting Chairman

Executive Directors

Alternate Executive Directors

C. Enoch
Zhang Z.
A. M. Othman
L. E. N. Fernando
D. McCormack

Mawakani Samba
G. A. Posthumus

J. W. Lang, Jr., Secretary
B. J. Owen, Assistant

Also Present

G. Grosche
Y. A. Nimatallah

J. Prader

M. Fogelholm
D. Marcel

C. R. Rye

S. Yoshikuni

Administration Department: M. Oka, L. A. Wolfe. Bureau of
Computing Services: G. F. Brookings, C. B. Derricotte, S. Choi,
D. A. Wolfire. Legal Department: J. Powers. Secretary's
Department: C. Brachet, Deputy Secretary; E. R. Hughes.
M. J. Papin. Advisors to Executive Directors: M. Al-Jasser,
M. B. Chatah. Assistants to Executive Directors: S. Appetiti,
K.-H. Kleine, L. M. Piantini.

1. STAFFING OF EXECUTIVE DIRECTORS' OFFICES

Committee members considered requests from Mr. Dai, Mr. Mawakani,
and Mr. Nimatallah for the extension of additional temporary positions
in their offices (EB/CAM/89/24, 3/8/89; EB/CAM/89/23, 3/6/89; and
EB/CAM/89/25, 3/9/89).

The Acting Chairman, in response to a question from Mr. Posthumus, said that if Committee members wished, the requests could be taken up separately, beginning with that of Mr. Dai.

Mr. Enoch commented that the three requests were in some ways different and raised somewhat different issues. The issues raised by Mr. Dai in support of his request, while perhaps valid, differed somewhat from the factors that had been identified during the Committee's recent discussion of the guidelines for temporary increases in staffing for Executive Directors' offices (Meeting 89/2, 2/16/89).

To make a more general point, Mr. Enoch said that he had some concern about the considerable length of time for which extensions of temporary positions were granted. In the case of Mr. Dai's office, the position had been extended every two years since 1986, and he wondered whether an extension for a further two years was necessary or whether there might be some prospect of terminating the position earlier.

Mr. Zhang responded that his office could not state with certainty that the position would not be needed at the end of a further two-year period, although the hope was that the recent increase in the work load, owing to the ongoing reform in China, would ease before then. His authorities also set great store on receiving assistance from the Fund in tackling the problems they were facing.

Mr. Othman said that he had no difficulty in going along with the request by Mr. Dai.

Mr. Fernando said that he too wished to make the general point that the Committee's deliberations would have been greatly assisted, if the report on the Committee's discussions in February on the staffing of Executive Directors' offices (EB/CAM/89/26, 3/9/89; Meeting 89/2) had been submitted to the Executive Board. He recalled that during the Committee's discussion at Meeting 89/2, Mr. Jalan had emphasized the need for clear guidelines on which to consider requests for additional temporary positions, and in particular the need to establish the temporariness of the positions. In that connection, Mr. Nimatallah had attached a number of reasons to his request explaining why his office, and certain other offices, might require a larger number of staff positions overall. That was no doubt a matter for the Committee and the Executive Board to take up in due course. He wondered whether it would be possible, in light of Mr. de Groote's request, to consider accepting the extensions requested by the three Executive Directors concerned for a shorter period than two years, pending further review of the matter in depth by the Committee. The Committee could then submit a report to the Executive Board so that clear guidelines could be developed before decisions were taken to extend the positions for another two years.

Mr. Zhang said that two years had been considered an appropriate period when the extension had been discussed in his office. He would prefer to refer the matter of a shorter extension to Mr. Dai.

Mr. Mawakani said that it would be very difficult for him to envisage extending the temporary advisor position in his office for less than two years, given the number of countries in his constituency--24--and the number of those countries that had programs--14. Several countries in his constituency preferred the Executive Director or his Alternate to be present when missions took place, but he himself had decided that he could be present only for Article IV consultations or negotiations on a program, and not for review missions. As it was, his office traveled extensively, while at the same time having to cover policy and country matters in the Board. His preference was for an additional, permanent position, but that was not at present possible under the existing provisions for staffing Executive Directors' offices.

Mr. Nimatallah said that his reasons for wishing to have an adequately staffed office were a little different and more fundamental. He was a man with a mission--to enable the Executive Board to contribute more to the working of the Fund. For him, it was not sufficient to depend on staff work. The Board should understand that the needs and methods of the developing, Islamic, and oil producing countries had to be taken into account if Fund programs were to be more successful. The developing world's views also had to be injected into the Board's consideration of the international monetary system. At the same time, he was committed to the maximum utilization of existing resources and to limiting the administrative expenses of the Fund. For that reason, and despite the amount of research work that his office did, he would do his best not to fill the vacant assistant position in his office. If he was not successful, he would request the Committee to undertake a general review of the needs of Directors to work more effectively on behalf of developing countries, which had less help from capitals. The criterion for his acceptance of a shorter--or longer--period for the extension of the advisor position in his office was the completion of a general review of the criteria for the staffing of Executive Directors' offices. For the time being, he would accept an extension for two years, on the understanding that he would do his best not to replace the assistant.

Mr. McCormack said that he found himself in agreement with Mr. Fernando on the general point that it would have been more desirable in some respects to have the overall position clarified before the requests before the Committee were discussed. Of the three cases, which seemed to be quite different, one met precisely the terms of the tentative conclusions reached by the Committee at its February meeting--that of Mr. Mawakani. The apparent lack of flexibility with respect to the two-year extension of temporary appointments was unfortunate in the sense that it did not focus attention on the issue as pointedly as a one-year extension would. He would certainly like the question of staffing to be reviewed more fundamentally.

As for Mr. Dai's request, it differed from the others that the Committee had to consider because it was not related either to the number of countries in the constituency or to the number of programs.

Mr. McCormack remarked. The assistant position seemed to play an initiating and developmental role for the office, which was likely to be of long duration. Such developmental problems, together with the other problems mentioned by Mr. Dai of reporting in Chinese and the rather unusual practice of participating in preparation of technical assistance missions, could perhaps be better dealt with by seeking additional assistance from the Fund. In general, it would be helpful if the Committee kept in mind that adding staff was not the only solution. However, he could go along with Mr. Dai's wishes to extend the present position for two years.

Mr. Mawakani said that he had no difficulty with Mr. Dai's request.

Mr. Posthumus said that to the best of his recollection, the temporary position had existed since Mr. Dai's office had been set up; it had certainly been renewed more than once.

The staff representative from the Secretary's Department said that the original request for the additional temporary position had been approved in 1981, before the existing procedures for requesting additional positions were put into effect. When those procedures had taken effect, the position had been brought under the guidelines, and extended in March 1987.

Mr. Posthumus remarked that if there had been a temporary problem, it should since have been brought under control. He recognized that Mr. Dai had advanced a number of arguments that were specific to his office and not to others. But one of the tasks of the Committee was to find out whether such office-specific arguments were sufficiently special to justify an additional position, be it temporary or not. He was not convinced of the need for the extension of the position and was therefore opposed to the request.

Mr. Rye said that he agreed with others that the requests came at a difficult time, following as they did shortly upon the Committee's agreement on guidelines. Mr. Mawakani's request fell clearly under those guidelines and posed no problems. The other two requests raised different considerations and it was necessary for the Committee to satisfy itself clearly that they were fully justified. His reaction to Mr. Dai's request was similar to that of Mr. McCormack, particularly with respect to technical assistance missions, which did not usually impinge continuously on the work load of an Executive Director's office.

Mr. Zhang explained that the suggestions that had been made for easing the strain on the staff of Mr. Dai's office raised issues that had been repeatedly discussed within the office. Of course, offices differed in their characteristics and in their working habits. For instance, technical assistance might not add to the work load of many offices, but in connection with China's ongoing reform program, it was frequently necessary for the Executive Director's office to contribute to the concerted plans and efforts that were needed to push the reform forward in

China. The many ministries and agencies that were involved in those efforts frequently sought the advice of the Executive Director's office in determining priorities and understanding the essence of the plans that were under way. It was in that latter connection also that the language problem arose, as it did with respect to technical assistance missions as well. An additional burden on the offices of Executive Directors with developing countries in their constituencies was the instrumental role they played in preparing statements for the ministerial meetings held in the spring in Washington and in briefing the authorities in China. In sum, it was hard for him to explain how heavy the work load was; but he could assure Committee members that it was greater than they realized.

Mr. Rye observed that the comments of Mr. Zhang added to the case made by Mr. Nimatallah for conducting a further full-scale review of the criteria to be applied in considering such requests. Speaking as a non-member of the Committee, he would have preferred a one-year extension rather than a two-year extension.

Mr. Grosche said that he would have been much happier if the Committee could have discussed the requests before it on the basis of guidelines approved by the Executive Board. His view was that the Fund should remain a highly efficient institution in terms of a relatively small number of staff of the highest quality. The Executive Directors had to take the lead in all such matters. He himself could not ask the staff to maintain staffing levels and at the same time condone continuous increases in the number of staff positions in Executive Directors' offices. For that reason, he attached considerable importance to the temporary nature of additional positions, and to a sound rationale for their continued approval.

Mr. Nimatallah stated that he agreed with Mr. Grosche on the need for efficiency and for a high quality staff, be they in the Fund or in Executive Directors' offices. In his view, the time had probably come to assess the relative contribution of staff and of Executive Directors to the work of the Board, given the various problems the world community and the Fund were currently confronting. He had become convinced, with the gradual opening up of the Fund to the views of various other parts of the world, including developing countries, that it would be timely to divert some resources from the staff to Executive Directors' offices. His own office in particular was working hard on developing more in-depth ideas to complement the research done by the staff. But his office was having increasing difficulty keeping up with the Board's work load, especially as he wished it also to make a contribution to the successful implementation of Fund-supported programs. Like Mr. Dai, he too had a responsibility to convey to his authorities the Board's and the Fund's views, both giving and obtaining effective feedback. As Mr. Rye had observed, the fact that such problems were being recognized would enable the Committee better to identify additional criteria for consideration in establishing the staffing pattern of Executive Directors' offices in the future.

Mr. Enoch stated that his preference would be to extend the temporary positions until a review of staffing took place rather than for two years.

Mr. Fogelholm remarked that he was also somewhat concerned that the Committee was deviating slightly from the course it had taken at its previous meeting when most Committee members had emphasized the importance of establishing objective criteria. The information that had been provided on the background to Mr. Dai's request suggested that a different solution should have been envisaged; he would have preferred not to extend the temporary position, and considered that it would be prudent for the Committee to grant approval for a one-year extension only or until the review of staffing took place.

Mr. Posthumus observed that it was not a matter of accepting the assurances of Executive Directors on the work load of their offices. The Committee had to weigh the arguments made by different offices and try to establish a general, objective approach to their staffing needs, in much the same way that the Executive Board approached the staffing of the Fund in general.

Mr. Yoshikuni recalled that at the Committee's previous meeting in February, when agreement had been reached on the criteria to be applied in approving requests for temporary additional positions, the need for flexibility in applying the guidelines had been recognized. In that connection, he wished to point out that because his chair had similar problems to those of the Chinese office with respect to language, Mr. Dai's request should be viewed with an appropriate degree of flexibility.

Mr. Marcel said that he agreed fully with Mr. Grosche's views. Executive Directors had to apply a consistent policy with respect to the staffing of their own offices and of the Fund in general. He also agreed with Mr. Fogelholm that objective guidelines were essential. The guidelines that had been agreed justified Mr. Mawakani's request. He was less certain about the justification for Mr. Dai's request, and wondered whether some of the office's problems, for instance, with respect to translation, could not be handled by the Bureau of Language Services.

Mr. Zhang responded that as far as he knew, there was at present only one position in the Bureau of Language Services for a Chinese translator. As for technical assistance, which in China was directed toward ensuring that the reform went in the appropriate direction, there was surely a relationship with Fund-supported programs, or rather, the avoidance thereof.

The Acting Chairman added that the issue of confidentiality also arose with respect to translation services.

Mr. Enoch said that he retained his preference for extending the additional temporary advisor position in Mr. Dai's office for less than two years.

Mr. McCormack remarked that, his preference having been for a shorter period of extensions, it would be helpful to him to have his approval of Mr. Dai's request recorded as having been made possible because the guidelines approved by the Executive Board were not clearly defined.

Mr. Enoch remarked that he agreed with those who had stressed that they recognized the constraints, both external and internal, that they came up against as a result of their offices having neither the time nor the resources to do all the work that they would like to do. Obviously, offices felt a relaxation of those constraints when they obtained additional staff, but they then ran up against other constraints and inconsistencies imposed by the work program, which could be resolved only when the Board discussed that program. If some offices put forward suggestions for work that were not supported by others, they would have to decide whether to pursue them out of their own limited resources. Whether resources should be diverted from the generality of the staff to Executive Directors' offices was a much broader, general question.

His position on Mr. Nimatallah's request was much the same as his position with respect to Mr. Dai's request, Mr. Enoch concluded. If the extension was approved, his preference would be to extend the position until the general staffing review took place. The general issues raised by Mr. Nimatallah differed from the specific, objective guidelines discussed by the Committee, as Mr. Fogelholm and others had said, and they should be considered by the Executive Board.

Mr. Nimatallah said that like China, Saudi Arabia was a developing country, and like the Chinese office, his office fed considerable information back to his authorities, whereas Mr. Enoch's office no doubt received support from his authorities. The extent of the work program was not relevant to his own office's work load, which he intended to determine for himself so as to make as large a contribution as he could with the resources available to him. The Board in general should be more productive, whether its contributions were based on input from national authorities or from Directors' own offices. For his part, he had to rely on the staff in his own office.

Mr. Zhang and Mr. Othman said that they supported Mr. Nimatallah's request.

Mr. Fernando commented that bearing in mind that the Committee had not yet reported to the Executive Board on the guidelines that it had agreed at its previous meeting, he would prefer a shorter extension of the two appointments, pending a fuller discussion of the issue of staffing. If the general issue came before the Committee again, he could support points (a) and (b) in Mr. Nimatallah's memorandum--the lack of feedback from national authorities at the same time as an effort was being made toward a more effective contribution on the part of developing country constituencies.

Mr. McCormack said that he wished to make essentially the same point as Mr. Fernando. Perhaps Mr. Nimatallah could agree to an extension for two years or until the completion of a review, whichever was shorter. It did seem to him that the staffing pattern of Mr. Nimatallah's office would consist of an atypical blend of advisors and assistants as a result of the request that was before the Committee and that did not really meet the criteria for the appointment of an advisor. Again, perhaps it was a question of the type of resources needed to do a certain type of work. Many of the issues that had been raised went to the general issue of staffing, and reinforced the need for an early review.

Mr. Nimatallah said that he could go along with a proposal along the lines formulated by Mr. McCormack.

Mr. Mawakani said that he too could support Mr. McCormack's suggestion.

Mr. Posthumus said that he saw no reason why the Committee should not complete its discussion of the guidelines within a short time. As for the point made by Mr. Nimatallah with respect to industrial countries "receiving feedback from home," by far the largest part of the work undertaken in his own office was related to country work, on which his staff received no feedback and the burden of which it itself bore.

However, he could support another argument advanced by Mr. Nimatallah, one that did not hold only for one office, namely, that the Executive Board should make a more active contribution to the work and the policy making of the institution, Mr. Posthumus stated. At the same time, he was not sure whether that was a temporary matter, nor whether it would really require the Fund to increase the number of staff in Executive Directors' offices. Furthermore, such arguments were not sufficient to support the request under discussion.

He could support the proposal put forward to approve an extension for two years or until the general review of staffing took place, whichever period was shorter, Mr. Posthumus concluded. However, he noted that the Committee seemed to have agreed to recommend a two-year extension of the temporary additional position in Mr. Dai's office. In any event, he hoped that the general review would not be postponed for too long, especially as he believed that it could be concluded shortly.

Mr. Nimatallah expressed the hope that all relevant criteria would be reviewed so that decisions could be reached with respect to staffing on a permanent basis.

The Acting Chairman remarked that the general review should be undertaken as quickly as possible but not in such a way as to prevent adequate consideration being given to all relevant arguments.

Mr. Zhang, in response to a question by the Acting Chairman, said that he could also go along with an extension for two years, or until the completion of the general review.

The Committee agreed to recommend to the Executive Board that the additional temporary position in Mr. Mawakani's office be extended for two years, and that the two positions in Mr. Dai's and Mr. Nimatallah's offices be extended for a period of two years unless the forthcoming review of criteria for considering ad hoc requests for such additional temporary positions, with a view to establishing clear, objective guidelines, came to a different conclusion.

The Acting Chairman then asked Committee members if they could accept Mr. de Groote's proposal that the report on staffing of Executive Directors' offices, which was to have been submitted to the Executive Board following the Committee meeting of February 16, should be taken up again by the Committee for further consideration (EB/CAM/89/26, 3/8/89; and Sup. 1, 3/16/89). Mr. de Groote would be asked for his views in writing before the Committee meeting was scheduled.

Mr. Prader explained that Mr. de Groote would be seeking further guidance from his constituency on the issue of staffing, which was of great importance to him, during the forthcoming Interim Committee meetings.

Mr. Posthumus raised the procedural question of whether an Executive Director who was not a member of the Committee could ask for the Committee's report, which had been approved for submission to the Executive Board on February 16, 1989, to be withheld so that the discussion could be reopened.

The Committee Secretary explained that there was no rule but that the Chairman had felt it would be courteous to Mr. de Groote for the Committee to meet before a decision was made to proceed to forward the report to the Board.

Mr. Posthumus said that he could accept the delay, despite the fact that the Committee had had a long discussion of the issues. He hoped that the further meeting of the Committee would be scheduled at a convenient time so that all of those who wished to participate in the discussion could be present.

2. ELECTRONIC DATA PROCESSING (EDP) - FY 1990 BUDGET FOR EXECUTIVE DIRECTORS' OFFICES

Committee members considered a staff paper on the Electronic Data Processing (EDP) budget for FY 1990 for offices of Executive Directors (EB/CAM/89/29, 3/16/89), together with a request from Mr. Filosa for an amendment to the proposed budget to include two additional personal

computers for his office (EB/CAM/89/31, 3/27/89), and a staff paper reporting on an external financial information pilot project--Reuters Monetary News Service (EB/CAM/89/21, 3/3/89).

The staff representative from the Bureau of Computing Services explained that the budget proposal was based on discussions in November and December of the requirements of individual offices. The need for two additional computers in the expectation that an advisor and assistant would be appointed had not been foreseen at that time. With the request, the number of computers for Mr. Filosa's office would thereby be increased during FY 1990 to a total of eight machines for nine staff members. The total EDP budget request for all Directors' offices combined would be \$648,376.

The Committee members agreed to include Mr. Filosa's request in the EDP budget.

Mr. Posthumus said that his only question was whether, since he assumed that the advisor position in Mr. Filosa's office would be a temporary one, the personal computer could be used elsewhere in the Fund after two years.

The staff representative from the Bureau of Computing Services confirmed that the computers purchased for Executive Directors' offices were the standard computers used elsewhere in the Fund.

Mr. McCormack remarked that as far as he could tell, the pattern of usage of the Reuters service had been disappointing. It would seem to him to make more sense to maintain a centralized facility. He could go along with the proposed EDP budget, if that was the consensus view.

Mr. Mawakani, Mr. Enoch, Mr. Fernando, Mr. Othman, and Mr. Zhang said that they could support the proposed budget.

Mr. Fogelholm, referring to the table in the attachment to EB/CAM/89/29 on the configuration of office systems in Executive Directors' offices, asked whether individual offices were free to decide how many computers they wished to have.

The staff representative from the Bureau of Computing Services explained that under the guidelines that had been approved by the Committee (EBAP/87/136, 6/15/87) the staff had been asked to discuss with each office the likely requirements and to provide technical advice. The staff had no authority to limit requests.

The Committee Secretary, in response to a question by the Chairman, said that no rules had been established for allocating the amount of equipment to Executive Directors' offices.

The Acting Chairman remarked that the matter should perhaps be taken up at some point.

In response to a question by Mr. Fogelholm, the Acting Chairman confirmed that it was for the Executive Board to adopt a decision on the EDP budget for Executive Directors' offices.

The Committee agreed to recommend a proposed EDP budget of \$648,376 for Executive Directors' offices, to be incorporated in the Administrative Budget for FY 1990 as part of the Fund-wide EDP budget (EBAP/89/82, 3/29/89). In the meantime, a report containing the proposal would be submitted to the Executive Board for information.

The meeting was adjourned at 11:30 a.m.

APPROVED: September 20, 1989

