

EB/CAM/09/29

October 28, 2009

To: Members of the Committee on Executive Board Administrative Matters  
(Mr. Mojarrad, Chair; Mr. Bakker, Mr. Itam, Mr. Lee, Ms. Lundsager,  
Mr. Mozhin, Mr. Rutayisire, Mr. Stein)

From: G. Russell Kincaid, Committee Secretary

Subject: **Salaries of Senior Advisor to Executive Directors**

At the request of the Chairman of the CAM, please find attached a paper on the above topic, which will be considered by the Committee at the meeting on **Tuesday, November 3, 2009 at 10:00 a.m.** in the Board Committee Room HQ1 12-120B.

This paper will shortly be posted on the extranet, a secure website for the Executive Directors and member country authorities.

Att: (1)

Other Distribution:  
Members of Executive Board

## SALARIES OF SENIOR ADVISORS TO EXECUTIVE DIRECTORS

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1. When the post of Senior Advisor to Executive Director was created in September 1971, the Executive Board agreed that “adjustments in the remuneration of Advisors could well follow the adjustments which the Board of Governors makes from time to time in the remuneration of Executive Directors and Alternates” (EBAP/71/139, Supp.2, Rev. 2, 9/13/71). Since then, the remuneration of Senior Advisors has consistently been adjusted to reflect changes in the salaries of Executive Director and Alternate Executive Directors.<sup>1</sup> From 1979 onward, Senior Advisors’ salaries have been 83.7 percent of the salaries of Alternate Executive Directors.
2. The remuneration of Fund Executive Directors and Alternate Executive Directors is set by the Board of Governors on the recommendation of the annually-constituted Joint Committee on Remuneration (the “JCR”). In 2009, in light of a decline in the reference consumer price index, and since the base salaries of the Fund Managing Director and the World Bank President were not adjusted, the JCR did not make a recommendation to the Board of Governors and, consequently, no salary decision was approved.<sup>2 3</sup>
3. The CAM therefore needs to consider whether it will continue to link salary adjustments of Senior Advisors to those of Executive Directors and Alternate Executive Directors. If this is accepted, no further action need be taken by the CAM on this matter.<sup>4</sup> The conclusion reached will be noted in the summary record of this meeting. Alternatively, if the CAM wished to adjust salaries of Senior Advisors for 2009, it would need to send a specific recommendation to the Executive Board for consideration.

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<sup>1</sup> Since 1990, these adjustments have been approved by the Executive Board on a lapse-of-time basis, on the recommendation of the Committee on Executive Board Administrative Matters (CAM).

<sup>2</sup> In 2008, on the occasion of the full-scale salary review, the JCR concluded that the primary internal reference point for the remuneration of Fund and Bank Executive Directors should be the maintenance of a reasonable relationship with the base salaries of the Fund Managing Director and the World Bank President, and that (as for the heads of the two institutions) salary adjustments should normally reflect increases in the May-to-May Washington-Baltimore consumer price index (CPIWB). Given the negative CPI movement over May 2008–May 2009, the salaries of the heads of the two institutions were not adjusted this year. Accordingly, the 2009 JCR decided not to recommend a change in the salaries of Executive Directors and Alternates for the current year and, consequently, did not submit a resolution to the Board of Governors.

<sup>3</sup> This development is not completely novel, as the Board of Governors decided not to adjust the salaries of Executive Directors and Alternates on two previous occasions (1984, 1986). In those years, the CAM did not make a recommendation to the Executive Board to adjust the salaries of Senior Advisors.

<sup>4</sup> Fund staff understand that World Bank’s Executive Board Committee on Governance and Administrative Matters (COGAM) does not intend to present a recommendation on salaries of Senior Advisors to its Executive Board.