

EB/CAM/10/6

May 26, 2010

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

From: Kenneth Meyers, Committee Secretary

Subject: **Options for Utilizing Unallocated Central OED Resources to Address  
Temporary Financing Needs of Offices of Executive Directors**

The attached paper on options for utilizing unallocated central OED resources to address temporary financing needs of Offices of Executive Directors will be considered by the Committee at the meeting on **Thursday, May 27, 2010, at 2:30 p.m.** in the Board Committee Room (HQ1 12-120B).

Questions may be referred to Mr. Trines (ext. 35639) and Ms. Amad (ext. 36665) in OBP.

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

Att: (1)

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Members of Executive Board



# **Options for Utilizing Unallocated Central OED Resources to Address Temporary Financing Needs of Offices of Executive Directors**

May 26, 2010

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## **I. INTRODUCTION**

1. As has been the case with the Fund's staff, the work load of the Offices of Executive Directors has been impacted by the global financial crisis and associated developments. This has led to (i) increased activities in the crisis-affected countries in various constituencies, and (ii) a significant increase in Board meetings and sessions, as set out in the work program that was discussed at the Board on May 25 (see BUFF/010/60, 5/15/10). At the CAM discussion of proposals for the allocation of the FY11 OED administrative and restructuring budgets on April 29, several Directors indicated their need, in the context of the current heavy workload, for additional resources, and Committee members generally supported exploring options for addressing this issue.

## **II. PRINCIPLES FOR TEMPORARY ALLOCATIONS**

2. The Committee will review the medium-term budget for Offices of Executive Director, in conjunction with its discussion on the FY 12 budget. It is expected that this will provide an opportunity to look back at the operation of the dollar budgeting framework now in operation and, as needed, to consider changes that would improve resource allocation on a continuing basis.

3. In the interim, it is proposed that the following principles, which are consistent with the views on resource use that have been expressed in and generally supported by the CAM, guide any additional, temporary allocations to OED:

- a. Amounts allocated should be related to the inability of each office to meet its needs within the current budgetary allocations.
- b. Amounts allocated should be related to additional/crisis-related workloads;  
and
- c. Allocations should be temporary.

## **III. MEASURES OF ADDITIONAL WORKLOAD**

4. Measures of the additional workload associated with Fund activity in specific member countries can help to indicate the magnitude of resource constraints and their incidence. Two such measures are the number of additional programs in place in FY 10

relative to FY 08, and the number of additional staff trips in FY 10 relative to FY 08. Data on these measures (Tables 1 and 2, below) show the incidence of country-specific activity.<sup>1</sup>

**Table 1. Change in Number of Programs FY08 - FY 10**

Office	Number of programs		
	FY2008	FY2010	Difference
OEDAE	12	14	2
OEDAF	22	21	-1
OEDAG	2	0	-2
OEDAU	0	4	4
OEDBE	1	2	1
OEDBR	1	3	2
OEDCC	0	0	0
OEDCE	2	5	3
OEDCO	2	8	6
OEDFF	0	0	0
OEDGR	0	0	0
OEDIN	1	1	0
OEDIT	1	2	1
OEDJA	0	0	0
OEDMD	2	3	1
OEDMI	2	3	1
OEDNE	6	9	3
OEDNO	0	2	2
OEDRU	0	0	0
OEDSA	0	0	0
OEDST	1	1	0
OEDSZ	2	4	2
OEDUA	0	0	0
OEDUK	0	0	0
<b>Total</b>	<b>57</b>	<b>82</b>	<b>25</b>

<sup>1</sup> The number of programs and near programs includes countries with financial arrangements discussion on programs, Policy Support Instruments, Post-Conflict Emergency Assistance, SMPs, and other non-financial monitoring arrangements as tracked in the Time Reporting System

**Table 2. Change in Staff Trips FY 08 - FY10**

<b>Trips</b>			
<b>Office</b>	<b>FY2008</b>	<b>FY2010</b>	<b>Difference</b>
OEDAE	74	58	-16
OEDAF	111	89	-22
OEDAG	19	17	-2
OEDAU	20	36	16
OEDBE	55	65	10
OEDBR	34	41	7
OEDCC	10	9	-1
OEDCE	26	37	11
OEDCO	33	41	8
OEDFF	2	4	2
OEDGR	15	7	-8
OEDIN	9	17	8
OEDIT	18	31	13
OEDJA	5	5	0
OEDMD	26	26	0
OEDMI	42	39	-3
OEDNE	77	61	-16
OEDNO	27	44	17
OEDRU	4	8	4
OEDSA	5	5	0
OEDST	35	43	8
OEDSZ	29	41	12
OEDUA	16	0	-16
OEDUK	2	7	5
<b>Total</b>	<b>694</b>	<b>731</b>	<b>37</b>

#### IV. RESOURCES AVAILABLE

5. As indicated in EB/CAM/10/4, the budget for OED as a whole contains significant resources that are kept at the OED center. This includes “surplus” resources resulting from the current methodology for formulating the aggregate OED budget, carry forward resources that cannot be allocated to individual offices, and contingency reserves. Details on resources available from carry-forwards at the individual office level are provided, separately, in the note on Requests for Access to the FY11 OED Restructuring Budget and FY10 Carry-Forward (EB/CAM/10/5).

**Table 3.Unallocated Resources at the OED Center**  
(FY11 Budget)  
(In thousands of dollars)

Official Contingency (1 percent of net budget)	623
Travel Contingency (5 percent of travel budget)	251
Unallocated Surplus (due to methodology)	2,138
Less: Refunds <sup>2</sup>	(271)
Subtotal	2,741
Estimated FY 10 carry forward	3,407
Total	6,148

#### V. PROPOSED APPROACH TO ALLOCATING ADDITIONAL TEMPORARY RESOURCES

6. For those offices whose FY11 allocations and resources carried forward are not sufficient to meet their needs, it is proposed that requests for additional resources, drawn from the central unallocated OED resources, be submitted to the CAM, together with supporting justifications. On the basis of the CAM’s discussion of the workload measures and proposed approach outlined above, further proposals could be developed to determine the allocation of central resources to requesting offices.

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<sup>2</sup> Reflects the refund to the US office arising from the forfeiture of part of the ED and Alternate ED salaries.