

EB/CAM/10/12

September 23, 2010

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: Kenneth Meyers, Committee Secretary

Subject: **OED Employment Framework Review—Report of Working Group**

At the request of the Chairman of the CAM, please find attached a report of the Working Group on the Review of the OED Employment Framework, along with a supporting document prepared by an external consultant, which provides background for the Committee meeting on **Thursday, September 23, 2010, at 4:00 p.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: (2)

Other Distribution:  
Members of Executive Board



# **Review of the OED Employment Framework<sup>1</sup>**

## **Committee on Administrative Matters of the Executive Board**

**September 21, 2010**

### **I. Background**

The Committee of Administrative Matters (CAM) at its meeting early this year established a Working Group consisting of 3 Executive Directors to examine the employment framework of OEDs. The Working Group was asked to identify issues that should be improved and made consistent with the Fund-wide practices in order to improve the working conditions of the OED's staff. It has been noted that the size and composition of OEDs have changed significantly since the time when the key features of the employment framework were put in place. In addition, human resource policies and practices have changed in the Fund as well as in member countries. The OED employment framework has not kept pace with many of these changes and is in need of reform. To this end, the Working Group sought the assistance of an independent consultant to prepare a brief report that would identify issues for discussion and to flag out areas where possible modifications of the OEDs' current employment system is needed. Following a review of the consultant's report, this note attempts to summarize the key issues recommended by the Working Group for CAM consideration. The note focuses on four key broad areas of OED employment framework relating to all categories of OED Staff:

- Recruitment standards, job descriptions, grading and starting salaries;
- Career issues, including mobility to and from Fund staff, merit pay and promotions;
- Performance assessment; and
- Termination of employment.

Section II focuses on issues relating to appointment and recruitment. Section III discusses merit pay and promotions, while section IV deals with performance assessment. Issues of mobility and termination policies are dealt with in sections V and VI, respectively.

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<sup>1</sup> This is a summarized version of key issues for CAM discussion. The report on the Review of the Fund's Executive Board Employment Framework prepared by Mr. Ulrich Baumgartner is attached.

## II. Appointment and Recruitment

### 1. General issues

It is necessary to ensure always that OED staff members have the skills and qualifications to effectively carry out their duties and responsibilities under the guidance of the Executive Director. In 2003, the Executive Board adopted a list of duties and responsibilities of Senior Advisors (SADVs) and Advisors (ADVs) as voluntary guidelines. Having clear job descriptions for Alternate Executive Director, SADV and ADV and applying them as uniformly as possible across OEDs would be most appropriate (see Attachments I and II of the Consultant's report). We recognize that job descriptions for EDs and AEDs could be a sensitive issue.

#### Working Group proposes:

- **Prepare job descriptions specifically designed as guidelines for the recruitment and selection of candidates for SADV and ADV positions. These descriptions should be short, focused, and refer only to the key skills and qualifications required for the position.**
- **Job descriptions for EDs and AEDs could also be considered in order to provide greater clarity and guidance.**

### 2. Senior Advisors

Under the current regime, the salary of SADVs is traditionally set at 83.7 percent of the salary of AEDs and their benefits are the same as those of EDs and AEDs. In terms of recruitment and job descriptions, the position of SADV is more linked to that of ADV than those of EDs and AEDs which are managerial and political in nature. Delinking the position of the SADV and its benefits from those of EDs and AEDs and directly linking it to those of the ADV is recommended. In this regard, a few changes could be considered to improve the employment condition of the SADVs (see discussion in Section II in the Consultant's report).

#### Working Group proposes:

- **Create a shadow grade (Grade 14) for SADVs and delink their salary from that of ED and AED.**
- **Align the benefits and employment conditions of SADVs with those of ADVs.**
- **Abolish the requirement that SADVs need to resign from the staff, consistent with the practice for ADVs.**

- **Provide the SADVs with access to the Administrative Tribunal (AT), as is the case for ADVs and assistants.**

### **3. Advisors**

Upon appointment, ADVs are placed in one of three tiers -- based on the number of years of university study and relevant work experience. Progression to the next tier is automatic, depending on the fulfillment of the length of study/work experience required for that tier (see details in the Consultant's report). To make it consistent with Fund-wide practice, CAM should consider appropriate changes

#### **Working Group proposes:**

- **Shorten the required period of university study and relevant work experience for initial appointment of ADVs at Tier 2 from 15 to 13 years, and that for Tier 1 from 20 to 17 years.**
- **Provide EDs with some flexibility in setting starting salaries of ADVs: introduce a range of, for example plus or minus 3 percent around the midpoint of the three tiers.**

Exercising this flexibility could be based on how well a candidate meets or exceeds the required background for the position. It could serve to reward particularly relevant educational background and work experience. However, there are, of course, also risks in introducing flexibility without stipulating objective criteria for its use, but reliance should be placed on the judgment of the ED, who would need to exercise this flexibility within a firm dollar budget constraint.

### **4. Titles of Senior Advisor and Advisor**

The titles of SADVs and ADVs could lead to confusion by country authorities because of the use of identical titles for Fund staff. The titles Senior Advisors and Advisors are also used for senior Fund staff: Senior Advisors have Grades B4 and Advisors Grade B1-B2, respectively. They are thus of higher rank than SADVs and ADVs in OEDs.

#### **Working Group proposes:**

- **Change the title of SADV and ADV to (1) Senior Economist and Economist, respectively; or (2) to Senior Economic Advisor and Economic Advisor. These alternative titles would correspond more closely to the actual function of the position of SADV and ADV. However, a change in titles needs to be mindful of**

**maintaining parity with the World Bank. Also, account would need to be taken of the impact on recruitment of adopting titles which may be perceived as more or less “prestigious”.**

## **5. Assistants**

### **a. Appointment grade**

There is no hard evidence to suggest that the current appointment grades A4/A5 are too low to attract qualified assistants (SAAs) to OEDs from the local labor market. However, concerns were expressed that these recruitment grades would make it impossible to recruit seasoned qualified assistants, particularly from overseas to meet specific skill or nationality requirements. Also, it should be noted that the grade restrictions for the recruitment of Fund staff assistants have recently been relaxed.

#### **Working Group proposes:**

- **Allow flexibility of recruitment at any of the grades for OED Assistants (A4-A8), within the confines of the limit of one Grade A8 assistant per OED and the respective budget guidelines. The candidate would need to meet the requirements and qualifications, including experience, associated with the grade to which he or she is appointed.**

### **b. Skills test**

Currently, Assistants recruited by OEDs do not have to take the Fund’s basic skills test before being appointed. In the case of the staff, however, assistants have to pass the test before they receive a contractual appointment, which precedes a regular staff appointment. *It would be good for them to meet both the general Fund requirements and those of their OED, particularly in view of the existing entitlement to a regular staff appointment should the SAA be terminated after six years or more continuous years service in OED.*

#### **Working Group proposes:**

- **Make it a recommended requirement that assistants pass the Fund’s skills test before they are appointed to an OED. Failure (or not taking the skills test) would lead to forfeiture any “right” to regular staff appointment. Equally, passing the skills test and undertaking regular career development training, as expected of Fund staff at the same level, should negate the constraints imposed under the Fund’s rules on any subsequent appointment to Staff.**

### c. Job descriptions/standards

There are currently no OED wide job descriptions or standards for assistants. However, a strong case exists to develop job standards for assistants.

#### Working Group proposes:

- **Develop job standards and qualifications for OED Staff and Administrative Assistants at Grades A4-A8, taking into account similarities with those in the staff and peculiarities of OEDs.**

## III. Merit Pay and Promotions

Under current rules, only Assistants receive merit pay increases, while the salaries of all other employees are adjusted uniformly for each group, on the basis of a review by Governors (EDs and AEDs), a Board decision (SADVs), or a formula (ADVs).

### 1. Senior Advisors and Advisors: Flexible pay, bonuses, and promotions

The main objective of a more flexible pay system would be to recognize and reward strong performance and provide motivation. The method would be either non-pensionable one time bonuses or a salary increase, which would raise the base for subsequent years. One argument for bonuses rests on the shortness of assignments.

For a merit pay system, for SADVs and ADVs to work properly, however, several prerequisites are to be put into place:

- Measurable output and quality (absolute performance)
- Performance standards
- Comparison of performance across individuals (relative performance) and performance ratings
- A process to set objectives and benchmarks, monitor performance, and establish reviews
- A uniform methodology and approach across OEDs to help ensure *distributive* (who gets how much) and *procedural* justice

- A dispute resolution mechanism

Most of these preconditions do not exist at present and would have to be put in place.

#### a. Promotions

ADVs are currently promoted upon reaching the 15 and 20 year study plus experience requirements. Based on a sample of Tier 2 and Tier 3 ADVs, the average period until promotion has been 3-4 years (it would decline if the shorter requirements discussed above were to be adopted). Also, SADVs could also be treated the same as ADVs based on flexibility in setting starting salaries. A shift to promotions on the basis of standard time-in-tier requirement will give greater weight to OED's experience, relative to previous experience, in determining advancement.

#### Working Group proposes:

- **Discontinue the current system and introduce a standard three year time-in-tier requirement for automatic promotion to the next tier, but permit promotion to Tiers 2 and 1 at the discretion of the ED after two years based on the ED's judgment of strong performance and based on performance evaluation. There would be a limit on the two-year promotion of one half of the ADVs in each OED (such a limit is currently also in place for fast track promotions of Fund staff). All promotions would take place at the same time as those of staff.**

## 2. Assistants (SAAs): merit pay increases and promotion

### a. Merit pay increases in the upper salary segments

Merit pay increases for OED SAAs are currently based on the judgment of the ED and guided by the total amount provided in the budget for such increases for SAAs. The Fund staff rule which provides for lower increases in the upper segments of the salary range of each grade for each level of performance (for example, see the merit pay matrix for the 2010 compensation review). As a result of the absence of midpoint control, which is a standard HR practice, OED assistants tend to rise to the top of their ranges faster than their counterparts on the staff.

#### Working Group proposes:

- **Introduce a system of midpoint control for the merit pay increase of OED Assistants. (Such a system would not necessarily require performance ratings). This system would result in higher increases for SAAs in the lower segments and smaller increases in the upper segments.**

## **b. Promotions**

At present, there is a three-year time-in-grade requirement for promotions and a two-year “fast-track” option for promotion from Grade A5 to Grade A6. The fast track option cannot be used again as long as the assistant who has benefited from it remains in the same OED.

### **Working Group proposes:**

- **Allow use of the “fast-track” option for promotion to all grades, conditional on strong performance. This would abolish the requirement that the fast track option cannot be used again for as long as there a beneficiary in OED. Limit two-year fast track to one half of SAAs in each OED per year.**

## **IV. Performance evaluation**

Performance evaluation and appraisals can be done for many different purposes. Some of these are: the communication of organizational values and objectives; self-improvement; training and career development; pay for performance; validation of HR practices; retention of staff and reduction in force; legal defense; and the training of managers. Three of these purposes are of potential relevance in the context of the OED’s staff: the communication of office values and objectives; **self-improvement; and pay for performance.** It could also facilitate reintegration with the former employer (e.g Central Bank or Ministry) upon return to the home country.

To implement a pay for performance system would require a full-fledged performance evaluation system. Introducing such a system, which has to be mandatory for all OEDs (SADVs, ADVs and SAAs) can be a daunting task. But certainly it could be considered in the long run.

### **Working Group proposes:**

- **Introduce a simple performance evaluation system for SADVs, ADVs and SAAs that focuses on development and broad evaluation assessment. This system would be uniform for all OEDs, and its adoption and application in individual OEDs voluntary. However, it would be obligatory for Assistants who have passed the staff skills test and would like to maintain their Fund staff employment rights.**

## **V. Mobility**

Mobility between staff and OEDs is constrained by the requirement that staff need to resign when they are appointed as ED, AED or SADV with no entitlement to re-employment

(although SADVs may obtain a written understanding, on an individual basis, that they would be offered re-employment on staff at the end of their term in OED). We have recommended above that the requirement for staff to resign to take up an SADV position should be abolished. There are also “cooling off” periods for EDs and AEDs before they can join the staff (unless they were recruited directly from the staff). These constraints are broadly appropriate.

However, there is a need to facilitate the potential for greater mobility for SAAs.

**Working Group proposes:**

- **SAAs hired by OEDs who would like to establish and maintain Fund staff employment rights should be afforded the opportunity to pass the skills test for staff, and Executive Directors should ensure that they attend the training that assistants on the staff are requested or expected to receive during their career.**

## **VI. Termination policy**

Maintain the right of EDs to terminate AEDs, SADVs, ADVs, and SAAs in their offices for any reason and at any time. Terminated staff should receive a reasonable period of notice (e.g. 60 days) or payment in lieu, especially given the issues associated with G4 visa status. Of course, there may be rare instances (associated with egregious inappropriate behavior) that require immediate dismissal. It should be considered whether AEDs should be included in the provision concerning notice period, etc., given their different status. AEDs do not have a notice period or payment in lieu in the World Bank or the IDB. On the other hand, AEDs can be and have been released in a manner similar to other OED personnel, giving rise to the same issues.

Three procedural changes could also be considered that would assist in bringing practice into line with standards of good practice elsewhere and managing potential reputational risk, but would not impinge in a substantive way on the ED’s right to terminate any employee at his/her discretion.

- **Poor performance should in principle be reflected in regular performance evaluation where adopted by OEDs, and proposals for improvement should be formulated.**
- **Provide a written notification to the individual regarding any performance/behavioral issues, with the aim of encouraging rectification of any such issues.**
- **Inform CAM in writing or orally of the action taken, and the reasons for the termination.**

SAAAs terminated after six years continuous services are entitled to a regular staff appointment, subject to certain limitations. In light of the above proposals regarding undertaking the skills test, performance evaluation and access to training, consideration could be given to whether the six year qualification period remains appropriate.

**Working Group proposes:**

- **All SADVs, ADVs, and SAAAs should get a 60 day notice period or payment in lieu, if they are terminated prior to the end of any agreed/expected or any other predetermined date of the end of assignment. There may be rare instances (associated with egregious inappropriate behavior) that require immediate dismissal. Consideration should also be given to extending this to AEDs.**
- Introduce a rule that allows the released individual to collect his or her personal belongings within a reasonable period of time (say, three days) and under supervision, and put TGS in charge of providing the individual a copy of personal electronic records.
- Review the requirement of six years of continuous OED service for an SAA to be entitled to a regular staff position on termination, and add the following qualifications:
  - There must be a written performance record indicating strong performance.
  - The assistant must have passed the skills test before the release.
  - The assistant must have attended the training courses which assistants on the staff are requested or expected to attend.



# **Review of the Fund's Executive Board Employment Framework**

## **Main Topics and Issues for Discussion**

Prepared by Ulrich Baumgartner

Consultant to the Committee on Administrative Matters (CAM) of the Executive Board

August 2010

### Content

Executive Summary	Page 3
I. Introduction	Page 5
II. Appointments and Recruitment	Page 6
1. General issues	Page 6
2. Senior Advisors	Page 7
3. Advisors	Page 8
4. Titles of Senior Advisors and Advisors	Page 10
5. Assistants	Page 11
III. Merit Pay and Promotions	Page 13
IV. Performance Evaluation	Page 18
V. Mobility	Page 19
VI. Termination Policy	Page 19

Attachment I:	Responsibilities and Qualifications of Senior Advisors
Attachment II:	Responsibilities and Qualifications of Advisors
Attachment III:	Salary of Senior Advisors: current and proposed
Attachment IV:	Minimum Education and Experience Requirements for Office Assistants as of 8/1/2010 (Fund staff)
Attachment V:	Performance Assessment of Senior Advisors and Advisors
Attachment VI:	Performance Assessment of Staff and Administrative Assistants
Annex I:	Current Practices in Offices of Executive Directors
Annex II:	Summary of Current OED Employment Framework

## **Executive Summary**

This report addresses four principal areas of the employment framework of OEDs relating to: (i) recruitment standards, job descriptions, grading, and starting salaries; (ii) career issues, including merit pay, promotions, mobility to and from staff, and promotions; (iii) performance assessment; and (iv) termination rules and practices. It discusses the principal issues in these areas and presents a substantial number of issues for discussion to modify the current framework.

### **It presents the following issues for discussion/recommendations:**

#### **Appointments and recruitment**

- Prepare new job descriptions specifically designed as guidelines for the recruitment of Senior Advisors and Advisors and make these easily accessible to member countries (Samples are provided in Attachments I and II).
- Hold a Board discussion on the need for strong skills and qualifications of OED staff and invite member countries to discuss appropriate measures with Executive Directors.
- Delink the salaries of Senior Advisors from those of Alternate EDs and create a new shadow grade for them (A14), while aligning benefits with those of Advisors.
- Shorten the university study and experience requirements for appointments of Advisors at, and promotion to, Tiers 2 and 1.
- Provide some flexibility in starting salaries of Advisors (and Senior Advisors), subject to a budget constraint.
- Review the titles of Senior Advisor and Advisor to avoid confusion with staff titles.
- Permit external recruitment of assistants at grades higher than A4/A5.
- Require that assistants pass the Fund's skill test before receiving open-ended appointments.
- Align the starting salary credits for prior experience and language skills of OED assistants with those of staff.
- Develop job standards and qualifications for Assistants (Grades A4-A8).

#### **Merit pay and promotions:**

- Discuss the pros and cons of a merit pay system with salary adjustments or bonuses. However, take account of the many requirements which would need to be put in place and which would imply a radical change in approach and a large increase in administrative effort.
- As an alternative, make promotion of Advisors subject to a time-in-tier requirement with a fast track at the discretion of the ED, subject to documented strong performance.

- Allow “fast-track” promotion of assistants at all grades, subject to a new system of constraints.
- Introduce midpoint control for merit pay increase of assistants (larger increases in lower segment of salary range and smaller increases in upper segment).

**Performance evaluation:**

- Introduce a simple performance evaluation system for Senior Advisors and Advisors (voluntary) and for assistants (mandatory), focusing on development (Samples are provided in Attachments V and VI).

**Mobility:**

- No change, except that requirement of passing the Fund’s skills test would facilitate mobility of assistants.

**Termination policy:**

- No change in the right of EDs to release any staff at any time for any reason.
- Introduce need for written warning and suitable period for improvement.
- Inform CAM and SEC of the action taken.
- Provide a 60 day notice period or payment in lieu to Advisors, Assistants as well as Senior Advisors.
- Discuss whether to include Alternate EDs in notice period (payment in lieu) requirement.
- Allow released individuals a reasonable period to collect personal things from office.
- Retain the rule that assistants with six years of service have the right to a staff appointment but tighten the requirements.
- Eliminate a rule that provides benefits related to reduction in strength/abolition of position upon release by ED.

## I. Introduction

The Offices of Executive Directors (OEDS), which comprise the Executive Directors (EDs) and their staff, have been organizationally, functionally, and legally separate from the rest of the Fund. They have also had a separate employment framework governing the employment of EDs, Alternate Executive Directors (AEDs), Senior Advisors (SADVs), Advisors (ADVs), and Assistants. OED staff are only answerable to the ED appointed or elected by member countries, and recruitment and appointment are the prerogative of each ED, at least in a formal sense. Appointments are normally only for a short period, implying that typical career issues, such as merit pay and promotions, and mobility and career development have received much less attention than in the Fund staff's employment framework. The OED employment framework comprises both rigid rules in some areas (e.g., with respect to the promotion of Advisors) and a large degree of discretion of the ED in others (e.g., termination of employment). The size and composition of OEDs has changed significantly since the time when the key features of the employment framework were put in place. At the same time, human resource policies and practices have changed in the Fund as well as in member countries. However, the OED employment framework has not fully kept up with many of these changes and is in need of reform.

This report addresses four principal areas of the employment framework for OEDs relating to: (i) recruitment standards, job descriptions, grading, and starting salaries; (ii) career issues, including merit pay, promotions, mobility to and from staff, and promotions; (iii) performance assessment; and (iv) termination rules and practices.

The report benefited from discussions with almost all of the Fund's Executive Directors or their representatives. Key inputs were provided by the Fund's Human Resources, Legal, and Secretary's Departments as well as the Office of Budget and Planning. Discussions were also held with the Secretary's Departments of the World Bank and the Inter-American Development Bank (IDB).

In framing the issues for discussion and presenting possible modifications of the OEDs' current employment system due consideration was given to the Fund's prevailing organizational culture: The Fund is a rules-based institution and the exercise of discretion is always subject to checks and balances. To be viable, any change must be consistent with these key features of the Fund's culture.

Section II addresses issues relating to appointment and recruitment. Merit pay and promotions are discussed in Section III, and Section IV deals with performance evaluation. Mobility is briefly addressed in Section V, while Section VI is devoted to termination policy. Annex I summarizes the current practices in OEDs with regard to the four principal areas of the employment framework covered in this report. It also refers to some of the practices in

the World Bank and the IDB. Annex II provides a summary of the current OED employment framework.

## **II. Appointments and Recruitment**

### **1. General issues**

**The main issue is to help ensure that Alternate Executive Directors (AEDs), Senior Advisors (SADVs), and Advisors (ADVs) have the skills and qualifications to effectively carry out their duties and responsibilities under the guidance of the Executive Director.**

The main constraints are the limited power and influence the ED has over the country authority or institution providing the officials; the absence of appropriate selection procedures in a number of member countries; the short supply of required skills in many countries or the reluctance to give up, even only temporarily, badly needed high-quality staff; and the absence of tradition in some countries to make appointments to attractive international positions on the basis of qualifications and merit. These constraints are not unique to the Fund; in fact, they seem to be less pronounced in the case of the Fund than in other IFIs, as most member countries genuinely care about who they send to represent them on the Executive Board.

**However, given these constraints which are largely outside the sphere of influence of OEDs, the room for measures to be taken is limited.** One area where action could be helpful is to have available descriptions of the duties and responsibilities of, and the qualifications required for, specific positions. As a matter of general principle and reflecting good governance, the Fund should have job descriptions for all positions, including those of Executive Director (ED), AED, SADV, and ADV. However, the focus here is on SADVs and ADVs where the prospects for use and observance are greatest.

#### **Issue for discussion:**

- **Prepare job descriptions specifically designed as guidelines for the recruitment and selection of candidates for SADV and ADV positions.** These descriptions should be short, to the point, and refer only to the key skills and qualifications required for the position. They should be readily available to member countries and easily accessible by them. There should be an OED-wide general description for each type of position, with EDs adding/subtracting aspects as needed for specific cases. In 2003 the Executive Board adopted a list of duties and responsibilities of SADVs and ADVs as voluntary guidelines. However, these guidelines are not well known and are rarely used. Illustrative descriptions of the duties and responsibilities of SADVs and ADVs and the required qualifications are provided in Attachments I and II.

**It might be useful to support these efforts to strengthen recruitment with a Board discussion on skills and qualifications.**

**Issue for discussion:**

- **Hold a general Board discussion on the need for strong skills and qualifications of officials provided by member countries.** A Board resolution could call on members to introduce measures to meet this objective and discuss them with their ED. The actual measures taken would depend on the situation in each country and the outcome of the discussions between the ED (and his or her home authorities) and constituency members.

These measures could comprise:

- A guideline requiring the submission of a short list of candidates with the right of the ED to request additional candidates if the initial list does not meet the requirements.
- Specification of the selection process with a formal or informal role of the ED, either in a decision-making or consulting capacity.
- Interviews and the submission of written work or a written test.
- Proof of English language ability or a language test.
- Specific academic and professional qualifications
- Attendance of an IMF INS course or equivalent

## **2. Senior Advisors**

**Under the current regime, SADVs are closer to EDs and AEDs with respect to salary, benefits and key employment conditions than to ADVs. However, this positioning is not in line with existing job descriptions and required qualifications as well as actual practice in OEDs.** Also, EDs and AEDs are members of the Executive Board under the Articles of Agreement, while SADVs are not. SADVs, like ADVs, continue in office upon appointment of a new ED, while the appointment of AEDs needs to be renewed. The salary

of SADVs is traditionally set at 83.7 percent of the salary of AEDs and their benefits are the same as those of EDs and AEDs.

**The descriptions of the positions of SADV and ADV adopted by the Board as voluntary guidelines in 2003 draw a sharper distinction with regard to *qualifications* of candidates than *principal duties*.** Although there is no formal job description of the AED position, it is understood to be closer to that of an ED than a SADV. Compared with ADVs, SADVs should typically have more work experience and have held positions with supervisory experience and greater independence. Much of the descriptions of duties and responsibilities of these two positions are similar or identical. A few OEDs use their own job descriptions and qualifications, which follow an approach similar to the voluntary guidelines. Both positions are designed to assist and support the ED and AED in carrying out their duties, with the SADV having greater responsibilities than the ADVs and often supervising the ADVs.

**In most OEDs the actual work of the SADVs is closer to that of the ADVs than of the AEDs.** This is not contradicted by the fact that in some constituencies a SADV is a particularly close and trusted confidant of the ED. SADVs are typically responsible for more complex issues, work more independently, and frequently have supervisory functions. However, their role differs substantially from that of the AED. In fact, they are *senior* Advisors.

**Issues for discussion:**

- **Create a shadow grade (Grade A14) for SADVs and delink their salary from that of the ED and AED.** (This change would reduce the SADV salary by about 4 percent and bring it closer to the salary of Tier 1 ADVs and further away from that of AEDs, reversing the current relationship; see Attachment III). There could be some flexibility in setting the starting salary of SADVs (see subsection on Advisors below).
- **Align the benefits and employment conditions of SADVs with those of ADVs.** (This change would provide a net gain in benefits).
- **Abolish the requirement that SADVs need to resign from the staff.**
- **Provide the SADVs with access to the Administrative Tribunal (AT).** (Under current rules, only ADVs and assistants have access to the AT).

**3. Advisors**

**Upon appointment, ADVs are placed in one of three tiers, based on the number of years of university study and relevant work experience. Progression to the next tier is**

**automatic, depending on the fulfillment of the length of study/work experience required for that tier.** ADVs with fewer than 15 years of study/experience are placed in Tier 3 (shadow Grade A11); those with a minimum of 15 years in Tier 2 (shadow Grade A12); and those with a minimum of 20 years in Tier 1 (shadow Grade A13). Salaries are fixed at the midpoint of the shadow grade.

**The resulting starting salaries of ADVs are broadly comparable with those of Fund staff with similar experience, but at the margin ADVs are slotted into a lower tier (grade) than staff with the same length of experience.** However, ADVs benefit from the midpoint rule for their salaries, while the starting salaries of staff are typically below the midpoint. The annual salary adjustment for ADVs is limited to the structural increase in Fund salaries and there are no in-tier promotions. The progression to the next tier involves, however, a large discrete jump in salary of about 15 percent.

**A comparison of ADV salaries with those in the World Bank and the IDB shows that Fund ADVs are paid significantly less than their counterparts in the other institutions** (for details see Attachment III and Annex I on Current Practices). The World Bank has a system similar to that of the Fund, but ADV salaries are linked to those of EDs and AEDs and not to staff. The IDB allows EDs discretion in setting ADV salaries subject to a maximum, with actual salaries being close to the maximum. These are relevant comparisons, but they rank well below the criterion of equity within the institution.

**While the systems for ADVs and staff produce broadly the same starting salaries, the compensation systems for ADVs and for Fund staff are different and these differences exist for good reasons.** The system for ADVs is designed to ensure fair and equitable treatment of a very heterogeneous group who are not subject to standardized selection criteria and who join (or should join) the OED for only a relatively short period. The system has to be simple, transparent, and easy to administer. Allowing for substantial differentiation of starting salaries within the tiers, or discretion with regard to tier placement, would require, at the minimum, putting in place a system of *qualitative* assessment of university study and work experience. This could easily lead to friction and controversy between different OEDs and within the same OED. It would also require additional administrative support. Nevertheless, there are two issues which should be discussed.

#### **Issues for discussion:**

- **First, shorten the required period of university study and relevant work experience for initial appointment of ADVs at, and promotion to, Tier 2 from 15 to 13 years and the requirement for Tier 1 from 20 to 17 years.**

**This proposal is based on a comparison of the rules concerning starting salaries of staff.** Under current rules, a combination of 15 years of university study and relevant professional

experience is required for an ADV appointment at Tier 2 (shadow grade A12), and the requirement for appointment at Tier 1 (shadow grade A13) is 20 years. A staff appointment at Grade A12 requires a minimum of a Master's degree and 7 years of experience (or a Ph.D. and three years), and the minimum requirement for appointment at Grade A13 is a Master's degree and 11 years of experience. These rules for staff translate to a combined length of university study and experience of 13 years (four years for a BA and two years for a MA, based on US standards, plus seven years of relevant work experience) for Grade A12, and a total of 17 years for Grade A13. If these service requirements had applied to the sample of ADV appointments reviewed, virtually all ADVs would have been appointed at the same grade as staff. The ADVs would have had a temporary advantage in terms of salary because of the midpoint rule, but they do not receive promotions, unless they jump to the midpoint of the next tier after they have met the new service requirement. It seems fair and equitable to align the requirements for appointments of ADVs and staff to the extent possible and practicable, especially since a shadow grade approach for the placement of ADV has been adopted (and no change in the system is recommended).

- **Second, provide EDs with some flexibility in setting starting salaries of ADVs: introduce a range of 3 percent above and 3 percent below the midpoint of the three tiers, subject to a budget constraint.** The budget constraint could be formulated in one of two ways: (1) the total actual salary bill for all ADVs would be the same as if they were paid at the midpoint of their respective tiers; or (2) the OED's overall budget constraint would have to be observed.

**Exercising this flexibility could be based on how well a candidate meets or exceeds the required background for the position.** It could serve to reward particularly relevant educational background and work experience. However, there are, of course, also risks in introducing flexibility without stipulating objective criteria for its use.

**This flexibility could be extended to SADVs,** either as a separate group or integrated with the ADVs.

#### **4. Titles of Senior Advisor and Advisor**

**The titles of SADVs and ADVs could lead to confusion by country authorities because of the use of identical titles for Fund staff.** The titles Senior Advisors and Advisors are also used for senior Fund staff: Senior Advisors have Grades B4 and Advisors Grade B1-B2, respectively. They are thus of higher rank than SADVs and ADVs in OEDs.

**The title Senior Advisor for OED personnel was created in 2003, when the titles of the then-existing positions of Advisor and Assistant to Executive Directors were changed to Senior Advisor and Advisor, respectively.** The reason was to avoid confusion with the

mostly clerical and support function attached to the notion of “assistant” in many member countries. (The World Bank had introduced an identical change in titles in 2002.) Thus, the principal intention was to align the title of the position of “Assistant to the Executive Director” with the existing role and responsibility of the position. The title Senior Advisor was introduced to retain the previously existing distinction between Advisors and Assistants, following the change in title of the Assistant. Salary, benefits, and employment conditions of the two positions remained unchanged, with those applying to the new SADVs continuing to be aligned with EDs and AEDs. The titles used by the IADB are Senior Counselor and Counselor.

**Issue for discussion:**

- **Change the title of OED SADV and ADV to (1) Senior Economist and Economist, respectively, or (2) to Senior Economic Advisor and Economic Advisor.**

These alternative titles would correspond more closely to the actual function of the position of SADV and ADV, but a change in titles needs to be mindful of potentially adverse effects on recruitment of OED SADVs and ADVs.

**5. Assistants**

**It has been longstanding tradition that OED assistants are graded one grade higher than their counterparts on the staff.** In this regard, the Fund seems to be unique among IFIs. Assistants in Fund OEDs are recruited at Grades A4/A5, while recruitment of staff assistants was limited until very recently to Grades A3/A4. External recruitment of staff assistants can now be also at higher grades, provided certain minimum education and experience requirements are met. Fund departments have a limit of one Grade A7 assistant, while OEDs can have one Grade A8 assistant.

**The main objective is to ensure the recruitment of high-quality assistants who meet the specific requirements of the OED to which they are appointed and the skill requirements for Fund assistants in general.** Assistants would generally be expected to stay for longer periods of time than other OED personnel and they should be equipped to potentially join the staff.

**a. Appointment grade**

**There is no hard evidence to suggest that the current appointment grades A4/A5 are too low to attract qualified assistants to OEDs from the local labor market.** However, concerns were expressed that these recruitment grades would make it impossible to recruit

overseas in order to meet specific skill or nationality requirements. Furthermore, the grade restrictions for the recruitment of Fund staff assistants have recently been relaxed.

**Issue for discussion:**

- **Permit external recruitment at any of the grades for OED Assistants (A4-A8). The existing limit of one Grade A8 assistant per OED would remain in place.** The candidate would need to meet the requirements and qualifications, including experience, associated with the grade to which he or she is appointed (see the recommendation concerning job descriptions below). The recruiting OED would bear the additional costs of international recruitment from the budget of its office.

**b. Skills test**

**Assistants recruited externally by OEDs do not have to take the Fund's basic skills test before being appointed.** (In the case of the staff, assistants have to pass the test before they receive a contractual appointment, let alone a staff appointment). Data provided by HRD indicate that at present only one of the about 40 externally hired SAAs has taken and passed the test. *Given the higher grades of OED assistants, they should meet both the general Fund requirements and those of their OED.* The following recommendations address this anomaly while taking account of the special situation of OEDs.

**Issues for discussion:**

- **Make it a requirement that assistants pass the Fund's skills test before they are appointed to an OED. Alternatively, they would remain on a short-term contract until they pass the test.**

**c. Starting salary**

**Under the current regime, OED assistants receive more credit for experience and language skills than assistants on the staff.** Credit for experience is given at the rate of 3 percent per year for 1-5 years of work experience and 1.5 percent a year for 6-10 years of experience. In addition, a university degree is given the weight of two years' prior experience. Also, assistants may receive an additional 8 percent of base salary for a second working language and an extra 4 percent for a third language, if the language is required on the job. However, the starting salary may not exceed the midpoint of the range. These allowances are significantly higher than those for new assistants on the staff. These are 2 percent of base salary per year for 1-5 years of work experience and 1 percent per year for 6-10 years of experience. Language credits are 5 percent per language. A university degree also receives two years of credit.

**Issue for discussion:**

- **Align the credits over the base salary of OED Assistants with those of staff, with the possible exception of language credits, subject to the midpoint constraint.**

There is no compelling reason why OED assistants should be given more credit for prior experience. However, the language requirements in OEDs may warrant a larger premium for language skills.

**d. Job descriptions/standards**

**There are currently no OED wide job descriptions or standards for assistants.** However, a strong case exists to develop job standards for assistants, given the similarities of these jobs with those on the staff. Job standards would facilitate recruitment decisions, performance evaluation, promotions, and mobility and would help identify training needs.

**Issue for discussion:**

- **Develop job standards and qualifications for OED Staff and Administrative Assistants at Grades A4-A8.**

The recently revised job standards for office assistants on the staff would provide a useful starting point (A summary of the minimum experience requirements is provided in Attachment IV).

**III. Merit Pay and Promotions**

Under current rules, only Assistants receive merit pay increases, while the salaries of all other employees are adjusted uniformly for each group, either on the basis of a review by Governors (EDs and AEDs), or a Board decision (SADVs) or a formula (ADVs).

**1. Senior Advisors and Advisors: Flexible pay, bonuses, and promotions**

In the current system the salary of SADVs is fixed at 83.7 percent of the salary of AEDs. ADV salaries are fixed at Tier (grade) midpoint and the annual adjustment corresponds to the structural increase of the Fund staff salary structure. The issue of more flexibility in the pay of SADVs and ADVs was raised a few times, including in a recent note by an ED. The main objective of a more flexible pay system would be to recognize and reward strong performance and provide motivation. The method would be either non-pensionable one time

bonuses or a salary increase, which would raise the base for subsequent years. One argument for bonuses rests on the shortness of assignments.

In the context of the OED, any merit pay would be limited to *SADVs and ADVs*, in addition to SAAs, who already have such a system.

For a merit pay system to work properly, several prerequisites are necessary:

- Measurable output and quality (absolute performance)
- Performance standards
- Comparison of performance across individuals (relative performance) and performance ratings
- A process to set objectives and benchmarks, monitor performance, and establish reviews
- A uniform methodology and approach across OEDs to help ensure *distributive* (who gets how much) and *procedural* justice.
- A dispute resolution mechanism

*Most of these preconditions do not exist at present and would have to be put in place.*

There are also a number of issues, which argue against a merit pay system for SADVs and ADVs:

- The small size of OEDs and the need to ensure harmony and teamwork
- Ability and skills rather than motivation seem to be the main performance issue
- SADVs and ADVs in the same OED often have very different backgrounds and training
- The short-term assignments of SADVs and ADVs
- The pressure constituency members could exert on EDs to favor nationals from their country
- The temptation to use “merit” to compensate for other perceived inequities within an OED (e.g., country X never gets an SADV position)
- It is general experience that over time bonuses are seen as an entitlement

- Bonuses are not part of the Fund's compensation system
  - Introducing a merit pay system would imply a huge change in current practices in OEDs, which now follow a very simple approach
  - It should also be borne in mind that participants in the Fund's *Economist Program (EP)* receive the *same salary increase* regardless of performance while they are in the EP.
- a. Flexible pay: salary increases or bonuses**

**The introduction of a full-fledged merit pay system with *permanent salary adjustments* would require:**

- A new approach with regard to the setting of **starting salaries**, which would have to be well below the tier midpoint;
- A departure from automatic **promotions** based on seniority and development of a new framework;
- A **merit pay budget**. In the short run this budget would be equal to the structural salary increase times salaries, because the comparatio for SADVs and ADVs is always equal to one as a result of the midpoint rule. As salaries start to deviate from the midpoint in the longer run, an OED-specific or the Fund-wide comparatio would have to be adopted for the calculation of the merit pay budget; and
- The introduction of a **mandatory comprehensive performance evaluation system** with the requisite performance standards and ratings as well as review and dispute resolution procedures.

In essence, a suitably modified version of the current system for staff would need to be developed and applied to OEDs. However, some key parts of the staff's performance appraisal system would not be transferable (e.g., there would be no inter-office comparison of performance as there is, for example, with divisions in a Fund department; and the staff dispute resolution system would not fully apply) and new approaches would have to be developed. OEDs would also require significantly more administrative support.

**A *bonus-based system* would also require the introduction of a rigorous mandatory performance evaluation system and of appeals procedures as well as a system to provide the resources for bonus payments.**

- Resources for bonus payments would have to be diverted from other uses, which is, in principle, in line with current dollar budget rules. However, there is a question whether diverting resources from other uses for the augmentation of **individual**

compensation is possible, as bonus payments are not current compensation practice in the Fund.

- As the budget situation is likely to be **different across OEDs**, the potential pool for bonus payments would also be different, which could cause problems with regard to fairness and equitable treatment.
- This situation could be addressed by creating a **uniform approach to provide the resources for bonus payments**. A budget-neutral way would have to be found to carve out resources for bonus payments. These resources could include part of the structural increase now given to all ADVs.
- **Should the size of bonus payments be up to each ED, or should there be “standardized” bonuses?** The former could create problems of fairness and equity and the latter would tend to make bonuses what they should **not** be, namely an entitlement.
- The question of which **group(s) of OED employees** is (are) eligible for bonuses would have to be decided: is it just ADVs or also SADVs and AEDs (assistants would presumably be excluded because they do already have a merit pay system). Questions of equitable treatment would arise in this context.

**Issue for discussion:**

- **Pros and cons of developing and operating a performance evaluation system for SADVs, ADVs, and possibly other OED personnel for merit pay adjustments (salary adjustments or bonuses) and promotions.**

**b. Promotions**

**As an alternative, discretion could be introduced in the promotion of ADVs, which is now automatic and based on seniority.** ADV are currently promoted upon reaching the 15 and 20 year study plus experience requirements. Based on a sample of Tier 2 and Tier 3 ADVs, the average period until promotion has been 3-4 years (it would decline if the shorter requirements discussed above were to be adopted).

**Issue for discussion:**

- **Discontinue the current automatic promotions and introduce a standard three year time-in-tier requirement, but permit promotion to Tiers 2 and 1 at the discretion of the ED after two years based on documented strong performance (see suggestions below). There would be a limit on the two-year promotion of one half of the ADVs in each OED (such a limit is currently also in place for fast track**

promotions of Fund staff). All promotions would take place at the same time as those of staff.

## **2. Assistants: merit pay increases and promotion**

### **a. Merit pay increases in the upper salary segments**

Merit pay increases for OED SAAs are **not** subject to the Fund rule which provides for lower increases in the upper segments of the salary range of each grade for each level of performance (for example, see the merit pay matrix for the 2010 compensation review). As a result of the absence of midpoint control, which is a standard HR practice, OED assistants rise to the top of their ranges faster than their counterparts on the staff.

#### **Issue for discussion:**

- **Introduce a system of midpoint control for the merit pay increase of OED Assistants. (Such a system would not necessarily require performance ratings). This system would result in higher increases for SAAs in the lower segments and smaller increases in the upper segments.**

The overall merit pay budget would be unchanged, if the allocation based on the Fund-wide comparatio is maintained. An OED-specific comparatio could produce a higher or lower budget, depending on the distribution of OED assistants in the grade ranges relative to those of staff in general (e.g., if OED assistants are more heavily distributed in the upper ranges, the comparatio would be lower).

### **b. Promotions**

**At present, there is a three-year time-in-grade requirement for promotions and a two-year “fast-track” option for promotion from Grade A5 to Grade A6.** The fast track option cannot be used for another assistant as long as the assistant who has benefited from it remains in the same OED. As the three-year time-in-grade requirement is also the anchor of the promotion rules for staff SAAs, there is no need to deviate from this rule as the basis for promotions for OED SAAs. The main question, then, is the current restriction on the “fast track” promotion from Grade A5 to Grade A6. Future “fast track” promotions of assistants on the staff will be based on a broad “talent review” (at present, they are subject to a grade complement for each department). This approach would not be feasible for an individual OED, because it would require inter-OED comparisons. Thus, a different approach seems to be required. This approach should allow outstanding performers to progress at appropriate speed, while avoiding unduly rapid advance to the top grades (the current limit of one Grade A8 administrative assistant should be retained).

**Issue for discussion:**

- **Allow use of the “fast-track” option for promotion to all grades, conditional on strong performance and high salary increase, completion of Fund skills test, and training attendance. Limit two-year fast track to one half of SAAs in each OED per year.**

**IV. Performance evaluation**

**Performance evaluation and appraisals can be done for many different purposes.** Some of these are: the communication of organizational values and objectives; self-improvement; training and career development; pay for performance; validation of HR practices; retention of staff and reduction in force; legal defense; and the training of managers. Two of these purposes are of relevance for the present exercise: self-improvement; and pay for performance.

**A strict pay for performance system would require a full-fledged performance evaluation system as discussed in the previous section.** Introducing such a system, which would also have to be mandatory for all OEDs, would be a huge change from the current practice of virtually no formal performance assessment and would be a major undertaking.

**A less ambitious approach would focus on development and self-improvement, while providing sufficient assessment capacity for fast track promotions of ADVs and assistants and assistants’ merit pay.** The focus on development would be consistent with the fact that most of the ADVs and SADVs are at a relatively early stage of their career and some have been sent for training. Such a performance evaluation system would be simple and consist of three main parts: Objectives (both past and future); achievements against these objectives; and comments on competencies (two separate short lists, one for SADVs and ADVs, and another for Assistants) (see Attachments V and VI).

**Issue for discussion:**

- **Introduce a simple performance evaluation system for SADVs and ADVs that focuses on development. With minor modifications, this system would also be used for Assistants. This system would be uniform for all OEDs, and application would be *mandatory* for Assistants, given their Fund staff employment rights, but *voluntary* for SADVs and ADVs.**

## V. Mobility

**Given the set up of the Fund and other IFIs, the OEDs and the staff are separated legally, functionally, and organizationally. With these walls in place, mobility is necessarily limited.** However, staff can be selected by EDs or country authorities for Board appointments, and OED personnel can apply as external candidates for staff appointment. There are no special hurdles on mobility between staff and OEDs, except for the requirement that staff need to resign when they are appointed as ED, AED or SADV (but have the possibility or right to return to the staff) and the “cooling off period” for EDs and AEDs before they can join the staff (unless they came from the staff). OED personnel frequently have an advantage over other external candidates to be selected because of their familiarity with the organization and the issues. Mobility should be easiest and most beneficial for assistants. The main obstacles to mobility of SAAs, in particular from OEDs to staff, are the grade differential in favor of OEDs and the fact that OED assistants typically have not taken the mandatory Fund skills test.

### Issue for discussion:

- **Make it mandatory that all assistants hired by OEDs pass the Fund’s skill test before entry (or within a brief period of time during which they would remain on a short-term appointment) and ensure that they attend the training that assistants on the staff are requested or expected to receive during their career.**

## VI. Termination policy

**EDs can terminate AEDs, SADVs, ADVs, and Assistants in their offices for any reason and at any time.** In the last two years, five AEDs, SADVs and ADVs and three assistants were terminated (seven assistants were terminated in the last five years). In an unspecified number of cases, SADVs and ADVs were recalled upon suggestion or urging by the ED (there is only anecdotal evidence of this).

There are four interested parties in this matter: (1) the ED; (2) the Executive Board as a whole and the Fund; (3) the country of the affected individual; and (4), last, but not least, the terminated individual. The interests of these four parties are diverse and the area of overlap is rather small.

### The Executive Director

**No change is proposed in the right of the ED to terminate any employee in his/her office for any cause and at any time.** EDs do have only limited influence over the selection and

appointment of their AEDs, SADVs, and ADVs. OEDs are small and everybody needs to perform to, at least, a minimum level. Therefore, EDs need to retain the power to terminate individuals as they see fit.

**Two procedural changes could be discussed, but they do not impinge in a substantive way on the ED's right to terminate any employee at his/her discretion.**

**Issues for discussion:**

- **Provide a written warning to the individual.** The cases of termination suggest that poor performance is the main cause of release. In such cases, best practice would be to have a formal assessment of performance and detailed discussion with the individual, provide a performance improvement plan, monitor performance during the period of this plan, and carry out an assessment at the end. If performance has not improved, termination would follow. However, this process, which could take a year, is not feasible in an OED, given the typically short period (2-3 years) of assignment. Thus, as an alternative, the ED should provide a written warning to the individual on the occasion of the proposed annual performance review (which is, in any event a minimal procedure) or on another suitable occasion (e.g., a work assignment) and provide an appropriate period for improvement (e.g., three months).
- **Inform CAM and SEC** (see below)

**The Executive Board and the Fund**

**Issue for discussion:**

- **Inform CAM and SEC in writing or orally of the action taken.** This step would help address the reputational risk and the risk to country relations, to which the Executive Board and the institution as a whole are exposed. The ED should inform his/her peers and SEC, which is responsible for Board relations, of his action. This would be post facto and for information only. *However, the propagation of the reasons of the termination may do undue harm to the reputation and career of the individual, if not handled carefully.*

**The country authorities of the individual concerned**

This is largely a **matter between the ED and the country authorities**, which the ED has to resolve. However, there is also a residual risk for the Fund, because country relations may be affected. The formal step proposed above should help address this risk.

## The individual

**The main issues for the individual are the risks to career and professional reputation, the disruption to his/her private life and the modality of departure.** His/her interests are best met by a quiet departure cushioned by financial compensation.

The individual does **not have recourse to any appeal and none is proposed here.** The decision to terminate cannot be challenged.

The individual should have **adequate warning** before a decision to terminate is taken. As discussed above, best practice formal performance evaluation and monitoring is not feasible in the OED context. However, a written warning and a reasonable period for improvement should be provided.

### Issues for discussion:

- **All SADVs, ADVs, and Assistants should get a 60 day notice period or payment in lieu, if they are terminated prior to the end of the period of service of the ED who appointed the individual or any other predetermined date of the end of assignment.** This rule would also apply to cases where the successor ED does not reappoint SADVs, ADVs, or Assistants (current rules assume that they, unlike AEDs, continue in service unless the successor ED terminates them) to compensate for the proposed elimination of rule 2c for ADVs and Assistants (see below). The notice period or payment in lieu would not extend beyond the end of the period of service of the ED entitled to appoint the SADV, ADV, or Assistant or the predetermined date of the end of assignment. Payment in lieu would not be provided for any period during which the terminated individual is employed by the Fund as a result of employment or reemployment entitlement or external recruitment or appointment as ED or AED. The notice period or payment in lieu would not apply in cases of misconduct. The resources for payment during the notice period or payment in lieu have to be provided by the office concerned.
- **Should AEDs be included in the provision concerning notice period, etc., given their different status?** AEDs do not have a notice period or payment in lieu in the World Bank or the IDB. On the other hand, AEDs can be and have been released in a manner similar to other OED personnel, giving rise to the same issues.
- **Introduce a rule that allows the released individual to collect his or her personal belongings within a reasonable period of time (say, three days) and under supervision, and put TGS in charge of providing the individual a copy of personal electronic records.** (However, best practice is a period of only one day).

- **Retain the rule that an externally recruited assistant who has completed six years of continuous OED service is entitled to a regular staff position, but add the following qualifications:**
  - There must be a written performance record indicating strong performance.
  - The assistant must have passed the skills test **before** the release.
  - The assistant must have attended the training courses which assistants on the staff are requested or expected to attend.

With these qualifications it should be easier to place released SAAs in staff positions, although the grade difference would continue to be a potential obstacle (there is tradeoff between higher grade and easier mobility).

It is worth noting that the World Bank and the IADB have decided to discontinue this entitlement or make it subject to special approval.

- **Discontinue the supplementary rule on migration to staff (Rule 2c) which says that:**

“If an externally recruited Advisor/Assistant is terminated following the expiration of the period of the Executive Director by the *successor ED*, the Managing Director (or his/her designated representative) shall determine whether there is a staff vacancy on the regular staff for which, in his view, the person is qualified, and if so shall offer to appoint this person to the position. If there is no such position satisfactory to the person concerned, separation pay shall be granted on the same basis as is granted to staff members for reasons of reduction in strength or abolition of position.”

Little, if any, use has been made of this rule. It is no more than a nonbinding best efforts clause concerning appointment to the regular staff. Advisors and Assistants having no employment or re-employment rights can apply as external candidates anyway. To provide separation pay on the same basis as to staff for reasons of reduction in strength or abolition of position does not seem appropriate, because no such action is involved. In any event, Advisors and Assistants could instead receive a notice period or payment in lieu as discussed above.

## **Attachment I**

### **Responsibilities and Qualifications of Senior Advisors**

The Senior Advisor assists the Executive Director and the Alternate Executive Director in all aspects of the work of the IMF's Executive Board and the relationship with the member countries of the constituency. The role encompasses analytical, representation and supervisory duties. It requires strong analytical, oral and written communication, and interpersonal skills, as well as excellent policy judgment. Resourcefulness and the ability to work in teams are important. Good knowledge of the IMF's role and its operations is also critical. Supervisory experience is desirable. Ability to communicate in English, both in writing and orally, is essential.

#### **Primary responsibilities**

- Analyze the country and policy papers produced by the staff for the Board; read and review working and research papers prepared by the staff; and draw the attention of the Executive and Alternate Executive Directors to issues relevant for the work of the office; also direct member countries or institutions to issues of interest to them.
- Prepare speaking notes and statements for Board meetings. Take a lead role on formulating views on particular country and policy issues. This activity involves the Senior Advisor's own analysis and research, inputs from Advisors, capitals and various home institutions, and contacts with other ED's offices as well as staff.
- Attend Board meetings with the Executive Director and/or the Alternate Executive Director and represent the Executive Director in Board, Committee, and other meetings, as requested. Prepare notes on Board and Committee meetings and reports for capitals.
- Maintain close contacts with one or more member countries in the constituency. Monitor developments in those countries and respond to their requests.
- Participate in Fund missions to one or more member countries in the constituency.
- Develop and maintain good relations with other EDs' offices and the staff.
- Supervise the work of Advisors.

- Assist in the preparation of briefings for constituent countries for the Spring and Annual Meetings and in other preparations for these meetings. Participate in meetings of visiting authorities.

### **Qualifications and skills**

- Graduate level university training in the area of macroeconomics with specialization in international, financial sector, monetary, or fiscal economics.
- Extensive working experience in economic policy making in an appropriate government or nongovernment organization, preferably a ministry of finance or central bank.
- Strong analytical skills and the ability to apply them immediately in work assignments. Ability to think independently and critically.
- Excellent and mature policy judgment and familiarity with the political economy of the home country and other constituency countries.
- Thorough familiarity with the purposes of the Fund and its operations.
- Good interpersonal skills and the ability to work under pressure and as a member of a team.
- Proven supervisory experience and the ability to coordinate the work of others.
- Proven strong communication skills in English, both written and oral. Knowledge of other languages used in the constituency is desirable.
- Proficiency in standard computer software.

## **Attachment II**

### **Responsibilities and Qualifications of Advisors**

The Advisor assists the Executive Director, the Alternate Executive Director, and the Senior Advisor(s) in all aspects of the work of the IMF's Executive Board and the relationship with the member countries of the constituency. The role encompasses analytical as well as representation duties. It requires strong analytical, oral and written communication, and interpersonal skills, as well as excellent policy judgment. Resourcefulness and the ability to work in teams are important. Good knowledge of the IMF's role and its operations is also critical. Ability to communicate in English, both in writing and orally, is essential.

#### **Primary responsibilities**

- Analyze the country and policy papers produced by the staff for the Board; read and review working and research papers prepared by the staff; and draw the attention of the Executive and Alternate Executive Directors to issues relevant for the work of the office; also direct member countries or institutions to issues of interest to them.
- Prepare draft speaking notes and statements for Board meetings. This activity involves the Advisor's own analysis and research, inputs from capitals and various home institutions, and contacts with other ED's offices as well as staff.
- Attend Board meetings with the Executive Director and/or the Alternate Executive Director and the Senior Advisor(s), and represent the Executive Director in Board, Committee, and other meetings, as requested. Prepare notes on Board and Committee meetings and reports for capitals.
- Maintain close contacts with one or more member countries in the constituency. Monitor developments in those countries and respond to their requests.
- Participate in Fund missions to one or more member countries in the constituency.
- Develop and maintain good relations with other EDs' offices and the staff.

- Assist in the preparation of briefings for constituent countries for the Spring and Annual Meetings and in other preparations for these meetings. Participate in meetings of visiting authorities.

### **Qualifications and skills**

- Graduate level university training in the area of macroeconomics with specialization in international, financial sector, monetary, or fiscal economics.
- Working experience in economic policy making in an appropriate government or nongovernment organization, preferably a ministry of finance or central bank.
- Previous participation in Fund-provided training at the IMF Institute or regional training centers is desirable.
- Strong analytical skills and the ability to apply them immediately in work assignments. Ability to think independently and critically.
- Excellent policy judgment and familiarity with the political economy of the home country.
- Familiarity with the purposes of the Fund and its operations
- Good interpersonal skills and the ability to work under pressure and as a member of a team.
- Proven strong communication skills in English, both written and oral. Knowledge of other languages used in the constituency is desirable.
- Proficiency in standard computer software

### Attachment III

#### Salaries of Senior Advisors, current and proposed:

**Current** (May 1, 2009) (to be updated following the decision on ED, AED and SADV salaries for 2010):

ED	\$230,790	
AED	\$199,650	
SADV	\$167,110	(83.7 % of AED)
ADV (Tier1)	\$134,310	(80.3 % of SADV)
ADV (Tier 2)	\$117,110	(70.1 % of SADV)
ADV (Tier 3)	\$102,470	(61.3 % of SADV)

#### **Proposed:**

SADV (shadow A14)	\$159,780	(80.0 % of AED)
ADV (Tier 1)	\$134,310	(84.1 % of SADV)

**In the World Bank** the salary of SADVs is pegged at 83.7 percent of AEDs and the salaries of ADVs are 83.7 percent of SADV for Tier 1; 77.0 percent of SADV for Tier 2; and for 70.0 percent of SADV for Tier 3.

**In the IDB**, the salaries of Senior Counselor and Counselor, the equivalents of SADV and ADV, respectively, are determined by the ED. There is no minimum, but a maximum of currently \$144,129, with the actual average being around \$140,000. Senior Counselors and Counselors receive the same salary, except that the ED can agree to provide the Senior Counselors an extra allowance of \$ 6,000.

## ATTACHMENT IV

**MINIMUM EDUCATION AND EXPERIENCE REQUIREMENTS  
FOR OFFICE ASSISTANTS PER JOB STANDARDS AS OF 8/1/2010**

<b>Education</b>	
All Grades	<b>High school diploma or equivalent.</b>
<b>Experience</b>	
A3	<b>Two years of relevant experience OR University Degree</b>
A4	<b>Four years of relevant experience</b>
A5	<b>Six years of relevant experience</b> with a higher level of complexity of work. <u>External candidates</u> must have two years of experience in lead role
A6	<b>Eight years of relevant experience</b> with a higher level of complexity of work. <u>Internal candidates</u> must have met mobility requirements <u>External candidates</u> must have at least four years of experience in lead role.
A7	<b>Ten years relevant experience</b> <u>Internal candidates</u> are required to have Fund experience at Grade A6 with a thorough understanding of Fund administrative policies and practices. <u>External candidates</u> are required to have the necessary skill set needed to be hired into the position and at least 5 years experience in lead role.

## **Attachment V**

### **Performance Evaluation of Senior Advisors and Advisors**

#### **Objectives:**

- Ascertain whether individual is delivering on work program of OED
- Assess performance of individual, focusing on development of skills and competencies and identifying development needs and training and work assignments.
- Provide feedback to home institution

#### **I. Achievements/Results**

Work achievements/results against objectives set at the beginning of period

#### **II. Competencies**

Identify strengths and weaknesses

1. Technical expertise
  - Analytical skills
  - Specialty knowledge
  - Versatility
  - Knowledge of Fund operations/policies
2. Work management
  - Planning and organizing
  - Drive for results
  - Adaptability
3. Communication and interpersonal skills
  - Oral presentation
  - Written communication
  - Relationship building and teamwork
4. Supervisory skills/potential (SADVs)

#### **III. Development objectives and work program**

## **Attachment VI**

### **Performance Assessment of Staff and Administrative Assistants**

#### **Objectives:**

- Assess performance of individual, focusing on development of skills and competencies and identifying development needs and training and work assignments.
- Form the basis for merit pay and promotion decisions.
- Facilitate migration to Fund staff, voluntary mobility or termination of appointment.

#### **I. Achievements/Results**

Work achievements/results against objectives set at the beginning of period

#### **II. Competencies**

Identify strengths and weaknesses

##### 5. Technical expertise

- Analytical skills
- Specialty knowledge
- Versatility
- Knowledge of Fund operations/policies
- Technological/data management skills

##### 6. Work management

- Planning and organizing
- Drive for results
- Adaptability

##### 7. Communication and interpersonal skills

- Oral presentation
- Written communication
- Relationship building and teamwork

##### 8. Supervisory skills/potential (Administrative Assistants)

#### **III. Development objectives and work program**

## Annex I

### Current Practices in Offices of Executive Directors (OEDs)

#### I. Appointments

##### 1. Alternate Executive Directors (AEDs)

**Although the AED is formally appointed by the ED, the ED, with a few exceptions, exercises little direct control over the selection of his or her Alternate. This holds regardless of whether the AED comes from the same or another country as the ED.** However, the ED may be consulted or express a view informally.

- In the case of single-country chairs, the AED sometimes comes from another institution with an *independent* “right” to appoint the AED, based on a formal or informal arrangement.
- In a number of multi-country constituencies, the appointment of the ED and the AED follows a predetermined rotation arrangement among all, or only the larger, countries of the constituency. In the remaining cases of multi-country chairs, the AED is always provided by the same country. In both cases, the country nominating the AED generally follows an *independent* course.
- In a few constituencies with a large number of countries, the AED proposed by the country whose turn it is to make the appointment is *vett*ed by all other constituency members or a selected group of countries from the constituency (with membership in this group itself rotating among constituency members).
- In one or two cases the ED can propose his AED to the constituency or the country authority concerned and can expect their agreement.

##### 2. Senior Advisors (SADV) and Advisors (ADV)

**There is very little, if any, difference in the selection/recruitment of SADVs and ADVs. With some exceptions, EDs have little influence over the appointment of SADVs and ADVs, although their role is generally more significant than in the case of the selection of AEDs. The quality and skills of SADV and ADV are, therefore, largely up to the countries and institutions providing the individual.**

- OEDs and country authorities make *little, if any, use* of the responsibilities and qualifications of SADV and ADV adopted as voluntary guidelines by the Board in

2003 (some OEDs were unaware of the existence of these guidelines). Instead, some offices provide their own job description or inform the authorities by other means of their needs and the required qualifications of the candidate.

- *Many countries, especially industrial and some emerging market countries comprising both single- and multi-country chairs, have adopted a thorough internal selection process.* This process includes advertising the positions and carefully vetting and interviewing candidates. However, the ED is not formally involved in the process, with the exception of one case where the ED de facto chairs the interviews. In other cases, the authorities are very familiar with the work of the Fund and the needs of the OED, have an ample supply of high-quality staff, and do not need to go through elaborate processes of searching for suitable candidates. Consultation with the ED is frequently part of this process, but decisions are typically taken by capitals.
- Some OEDs have established *specific quality control procedures*:
  - In a few cases, a tradition of requesting *a short list of 2-3 candidates* with specified qualifications has been established. The ED checks the CVs and interviews the candidates (including via teleconference). The ED has the right to reject any or all candidates and, on occasion, additional candidates had to be presented.
  - In one case, a written test is given (e.g., preparation of a Board intervention based on a staff paper).
  - In another case, the ED creates his own list of candidates, partly based on names submitted by country authorities and occasionally also using the Fund's HR department as a source of outside candidates, and makes his selection from this list.
  - In yet another case, the ED has the latitude to select candidates from the public and private sectors in his country and propose them to the authority taking the formal decision.
- In a few cases, the ED has the *right to promote ADVs to SADVs* based on performance, while in one case there is, or rather will be, quasi-automatic progression of ADVs to SADV in their last year of assignment.
- *The main risk to the quality of SADVs and ADVs arises in situation where there a scarcity of skills and/or a lack of tradition of assigning attractive overseas posts on the basis of qualifications and merit.* In these cases the ED typically seeks to

influence the decision through maintaining close but informal contacts with the authorities on appointments.

- Many of the countries with a shortage of skills send staff mainly for *training purposes*.
- Although the quality and skills of SADV and ADV in a specific office may be high, the *skill mix* may not always be optimal.

### 3. Staff and Administrative Assistants

**The appointment of staff and administrative assistants is the prerogative of the ED.**

There is generally little interference from capitals in the choice made by the ED, but occasionally pressure is exerted to appoint a specific individual.

In one case, the ED and the AED, who are sent for short appointments typically not exceeding two years, traditionally bring their own assistants from their home country. These assistants then leave the Fund with the ED/AED. The vast majority of current assistants (about 80 percent) are appointed externally.

### 4. Appointment Grades and Starting Salaries

In the current system, issues of grade and starting salary arise only in the case of Advisors and assistants, because Alternate Executive Directors and Senior Advisors have fixed salaries linked to that of Executive Directors.

#### a. Advisors

**Starting grades and salaries of ADVs do not give rise to significant recruitment problems. Current rules and practices imply some differences in treatment, both favorable and unfavorable, compared with staff.** ADVs are appointed at one of three tiers, with Tier 2 (Grade A12) requiring 15 years of university study and/or experience and Tier 1 (Grade A13) 20 years; Advisors with less than 15 years of university study/experience are appointed at Tier 3 (Grade A11).

- **Starting grades tend to be lower than those of newly recruited staff.** This is mainly a function of the relatively rigorous requirement of 15 years of university study and/or experience for an appointment at Tier 2 (Grade A12) and 20 years for Tier 3 (Grade A13). To provide a test, HRD was asked to look at a representative sample of recent Advisor appointments and indicate the grade and salary at which they would have been appointed to the staff. These calculations were based solely on the length of experience and the duration of university study. In about half of the

cases, appointments to the staff would have been one grade higher than the Tier at which they were appointed, e.g., A13 instead of Tier 2 (shadow grade of A12). However, in terms of salary, most Advisors made up for at least part of the lower grade by the fact that their salary is fixed at the grade midpoint, while starting salaries for staff are below the midpoint. Also, some of the Advisors who would have been appointed at a higher grade had they joined the staff, would move up to the next tier within a short period of time and would then be at least equal to staff in terms of salary, given the fact that their salary would jump to the new midpoint. Advisors appointed at the same grade as staff generally receive a significantly higher starting salary because of the midpoint approach. Similarly, ADVs recently appointed to the staff received a higher grade but virtually the same salary.

- **Fund Advisors receive lower salaries than their counterparts in the World Bank and the Inter-American Development Bank (IDB).** The World Bank also has a system with three tiers and seniority cut-off points of 15 and 20 years, respectively. However, the tiers are linked to SADV salary and are \$15,000 (Tier 3) to \$ 6,000 (Tier 1) higher than the Fund equivalents. The average salary of IDB ADVs is about \$140,000 compared with about \$120,000 in the Fund. However, SADVs in the IDB are paid significantly less than in the Fund (they can receive a supplement of \$6,000 to an ADV salary). ADV salaries in the IDB are at the discretion of the ED, subject to a maximum of \$144,000.
- **Most EDs believed that the starting salaries of SADVs and ADVs are adequate and that compensation is not the cause of quality problems.** They said that “the SADVs and ADVs know what the deal is and they accept it. For most of them the assignment to a Fund OED is very much sought after and helps their career back home.” However, a few EDs, mainly from industrial countries, were of the view that ADV salaries are low and make it hard to recruit ADVs with families. One or two EDs also had an issue with some aspects of the formula used for calculating the starting tier, arguing that they put nationals from their countries at a disadvantage given the characteristics of their education and professional training systems.

#### **b. Assistants**

**While they have less job security, OED assistants receive higher grades and starting salaries than their counterparts on the staff and can be promoted farther. Nevertheless, some EDs have voiced concern about potential recruitment problems.** It has been longstanding tradition in the Fund that OED assistants are graded higher than their counterparts on the staff. This approach was maintained when assistant positions on the staff were recently lowered by one grade, as an equivalent adjustment was made for OED assistants. Based on a limited survey of comparators, comprising the World Bank, IDB, EIB and AfDB, this explicit grade differential in the Fund is unique among IFIs. Assistants in

Fund OEDs are recruited at Grades A4/A5, while recruitment on the staff has taken place at Grades A3/A4; the highest grade in OEDs is A8, while the highest grade on staff is A7. In addition, OED assistants receive more credit for work experience, and language skills than assistants recruited on the staff, subject to the limit that starting salaries are not to exceed the grade midpoint.

Grades of assistants in OEDs of the World Bank are not higher than those of assistants on the staff. At the IDB, assistants in OEDs have separate grades (one for internally recruited assistants and another for external recruits), but not necessarily higher salaries than their counterparts on the staff.

**In general, OEDs have had no problem recruiting assistants with the necessary skills and qualities from the staff or externally, provided that they limit their search to the local market, which is also the rule for staff recruitment.** Most EDs believe that current salaries are adequate. However, concern was expressed that issues could arise, if an OED were to search for an assistant with skills or nationality that are not locally available and require international recruitment in a highly priced market. An assistant with family and a spouse with no or limited employment possibility would be unlikely to relocate to Washington.

## II. Performance evaluation and merit pay

**Formal performance evaluation is very rare in OEDs. Merit pay increases, which are limited to assistants, are generally given without a formal assessment. Promotions of ADVs are automatic, based on the length of service. Promotions of assistants are narrowly circumscribed by a set of rules.**

- A system of formal performance appraisal exists in only two OEDs. No use is made of performance ratings. Another two OEDs discontinued the systems they had.
- In some cases, mainly involving industrial countries, the home institution of the SADV or ADV requests a formal appraisal of its staff seconded to the OED.
- A few chairs practice more or less regular informal performance appraisals, while others give feedback to staff on specific work assignments.

- Merit pay increases for assistants are provided without a formal performance appraisal, except in two cases.

**A number of reasons were given for the absence of formal performance evaluation.**

They relate mainly to the *performance assessment and rating* aspect rather than evaluation as a *development tool*.

- None of the personnel actions in OEDs require performance assessments and ratings. This includes the merit pay adjustment for assistants (which is a fairly simple matter as there are typically only two assistants per office) and the promotion of assistants (for which there are rules). Termination can be for any reason and does not require documented poor performance. Thus, what would be the purpose of a full-fledged system of performance evaluation?
- The desire to avoid friction and tension in the small office environment and the need to foster team spirit.
- The desire to avoid friction with the home authorities of staff.
- The generally short period of assignment (poor performance of an individual is a short-term irritant—and sometimes a major one at that-- but not a long term problem for the sitting ED).
- The time that would need to be devoted to a formal appraisal.
- The fact that there is no such system in many member countries.

Assistants in World Bank OEDs receive performance evaluations, but there are no performance evaluations at the IDB. At the World Bank, salary increases are administered Bank-wide. At the IDB, EDs can adjust the salaries of assistants at their discretion and there are no annual merit pay increases.

**Merit pay adjustments of OED assistants are not subject to the rule applying to Fund staff which requires that merit allocations become smaller as staff progress to the upper segment of the salary range (“midpoint control”).** Midpoint control is in accordance with the principle of the Fund’s compensation system that aims to bring salaries, on average, close to the range midpoints as they represent the market rate for each grade. As a result of the absence of midpoint control, OED assistants in the upper segment of the salary range can receive higher merit pay increases and can reach the range maximum faster than their staff counterparts.

### III. Promotions

**The OED system is based on a few rules:**

- Promotions of ADV are automatic and are based on the length of university study and experience; and
- There are two simple rules for the promotion of assistants: a general three-year time-in-grade requirement identical to that for staff; and a two-year “fast-track” option for promotions from Grade A5 to A6, which cannot be used for another assistant as long as the assistant who has benefited from fast track promotion remains in the OED (no such restriction applies to Fund staff; instead promotion in less than normal time-in-grade has until recently required a performance rating of “outstanding”).

**The large majority of assistants in OEDs are promoted at minimum time-in-grade (3 years) and there is frequent use of the “fast-track” option.** Assistants in OEDs have spent less time, on average, at Grades A5 and A6 than assistants on the staff. The difference is about 1 year. This indicates faster promotions of OED assistants than of their counterparts on the staff.

**Promotion policy for Fund assistants has recently been reviewed.** The three-year time-in-grade requirement will remain in place for the time being. Faster promotions (within two years) will be based on a Fund wide “talent review.” Promotions are also constrained by a grade complement for departments. Time-in-grade requirements no longer exist in the World Bank, because promotions require a re-grading of the job. However, EDs have some latitude to promote assistants in the World Bank. There are no promotions of assistants at the IDB because there is only one grade for them.

### IV. Mobility

**On the whole, the OEDs and the Fund staff are two separate entities, with relatively little movement between them.** This situation is not different from that at other IFIs. On average, one staff member moves to an OED as SADVs or ADVs, while four SADVs or ADVs typically join or re-join the staff per year. The current system whereby staff appointments of SADVs and ADVs are subject to the external recruitment rules and EDs are free to select Fund staff for OED appointments appears to work well. With regard to assistants, the movement has been mainly from the staff to an OED in recent years.

**The main issues are the release of assistants by EDs and the terms and conditions of their joining the Fund staff.** Under current rules, an externally recruited assistants is

entitled to a regular staff appointment, provided he/she has had 6 years of continued service. These cases are actually few (three in the last three years), but they are often difficult for the individual as well as the institution, because of grade and skill mismatches and, in most cases, the need for the assistant to take the Fund's skills test.

The World Bank *plans to discontinue the entitlement* of externally recruited assistants with at least six years of service to join the staff on open-ended appointments following their release by an ED or, at least, to make this subject to approval by the Vice President. The IDB has already discontinued the right of externally recruited assistants with at least six years of service to receive a staff appointment. These assistants need to apply as external candidates.

## V. Termination policy

**EDs rarely make use of their right to terminate any OED employee.** Still, a total of five AEDs, SADVs, and ADVs and three assistants were terminated in the past three years. In the case of the Fund, a formal notice period (60 days) or payment in lieu exists only for SADVs.

**Many EDs feel constrained in their ability to terminate poorly performing employees because of existing constituency arrangements or the problem termination could cause for relations with a specific country or institution.** If an individual is not performing or has some other problem suggesting the need for termination, most EDs discuss the matter in one form or another with the home country or institution of the individual and seek a negotiated solution. This approach generally results in the withdrawal of the individual. It seems that the majority of cases are resolved in this manner. If this is not possible, expiration of the appointment would "resolve the issue." With rare exceptions, EDs resort to the right to terminate an individual only if all other means fail (e.g., the authorities are recalcitrant) and the problem is too serious in order to wait until the end of the appointment.

**The situation is broadly similar at the World Bank and the IDB, but they provide notice periods to a larger group of OED employees.** The World Bank has a notice period of 60 days for SADVs as well as ADVs (though not for AEDs). There is no specific notice period for assistants, because they have been entitled to a staff position, if they have had at least six years of continuous service (although the Bank intends to remove the entitlement to open-ended positions or make it subject to vice presidential approval.) If the six-year entitlement is not met, the released assistant can apply as an external candidate or receive a temporary assignment. In the case of the IDB, SADVs and ADVs have a 30 day notice period and assistants 90 days (AEDs are not covered by this rule).

## Annex II

### Summary of Current OED Employment Framework

<b>EMPLOYMENT AUTHORITY</b>	
	<p>EDs are responsible for all hiring decisions within their offices. EDs appoint Alternate EDs, Senior Advisors, Advisors and Assistants. Appointments of Alternate EDs must be renewed upon assumption of duties by a new Executive Director; Senior Advisors, Advisors and assistants continue in service, unless the successor ED terminates the appointment.</p> <p>OEDs are exempt from the Fund’s nepotism rule (because a legally separate employer).</p> <p>Board recently adopted provisions limiting the hiring of Fund, IEO and OED volunteers for separation or retirees to the same basis that Management has approved for staff.</p>
<b>JOB DESCRIPTIONS AND STANDARDS</b>	
Executive Directors and Alternate Directors	No formal job descriptions or required qualifications for EDs/Alternates.
Senior Advisors/Advisors	Informal guidelines (job descriptions and required qualifications) were agreed for Senior Advisors and Advisors at the time of the introduction of these titles in 2003, replacing the previous titles of Advisor and Assistant to ED, respectively. But no enforcement or monitoring of hiring against these guidelines.
Assistants	Job specifications for assistants are determined by each individual OED.
<b>INITIAL GRADE/SALARY PLACEMENT/BENEFITS</b>	
Senior Advisors	<p>Senior Advisor salary is set annually by Board decision as a flat percentage of Alternate ED. There is no grade differentiation among Senior Advisors.</p> <p>Same benefits as Executive Directors (Alternates); no home leave (except for family) and no leave entitlement.</p>
Advisors	<p>Placement of Advisors in three salary tiers is based on years of university study and relevant work experience: Tier 3, fewer than 15 years; Tier 2, a minimum of 15 years; and Tier 3, a minimum of 20 years. The three tiers are linked to staff Grades A11, 12, 13, respectively. Salary is fixed at midpoint of shadow grade.</p> <p>Same benefits as staff.</p>
Assistants	Starting grade for external hires is limited to A4/A5 (one grade higher than equivalent entry-level on Fund staff). Salary placement within the hiring grade is determined by a strict formula. Initial salary is capped at hiring grade midpoint.

	<p>In practice, Directors have been able to appoint new assistants at higher grades by recruiting internally from the Fund staff.</p> <p>Same benefits as staff.</p>
<b>PERFORMANCE ASSESSMENT</b>	
General	No OED-wide formal performance assessment framework for any OED personnel and no standardized framework evaluating performance. A few OEDs have adopted formal procedures.
<b>PROMOTIONS</b>	
Senior Advisors	Single tier, no promotions.
Advisors	Advisors automatically progress to the next highest tier on reaching required service thresholds.
Assistants	<p>Grades range from A4 – A8. Eligible for promotion to next highest grade (up to A8), subject to specified time in grade requirements and Directors’ assessment of performance. As a matter of longstanding administrative practice, OED assistant promotions occur on the same cycle as staff promotions.</p> <p>Time in grade requirements are:</p> <ul style="list-style-type: none"> <li>- A minimum of two years service at grade level A5 before eligible for promotion to A6 (“fast-tracking”), with a limit of one fast-tracked promotion per office. If used, the fast-track option may not be used until that person has left the office.</li> <li>- Three years’ time in grade for promotion to other grades (Grades A4 to A5, A6 to A7, and A7 to A8).</li> </ul> <p>Only one Assistant per office may occupy salary grade level A8. (Grade level A8 is no longer available for Fund staff Assistants).</p> <p>As a matter of practice, Fund staff assistants migrating to comparable OED employment may be promoted one grade upon job transfer to OED.</p>
<b>ANNUAL SALARY ADJUSTMENTS</b>	
Senior Advisors	Executive Board decides and approves annual adjustments (historically, salaries have always been in line with ED/AED salary adjustments approved by Board of Governors).
Advisors	Advisors automatically receive mid-point adjustment (structural increase) for their relevant salary tier (with grandfathering arrangements to align Advisors appointed before June 1, 2006 with new (ECBR) pay line for Grades A11, A12, and A13)

Assistants	<p>Merit increases are awarded at each ED's discretion, within the merit budget envelope for each OED.</p> <p>Merit budget envelope reflects average merit increase (structural increase and comparatio) approved by the Executive Board for staff at comparable grade levels as applied to the sum of the salaries of the Administrative and Staff Assistants in the office.</p> <p>Assistants paid at or above grade salary midpoint are not subject to merit increase compression (unlike Fund staff)</p> <p>Assistants may not take merit increases above the salary ceiling of their grade, unless covered by transitional provisions under 2006 ECRB or 2009 A1-A8 regrading exercise).</p>
<b>MOBILITY TO AND FROM STAFF</b>	
<b>EXECUTIVE DIRECTORS AND ALTERNATES</b>	Fund staff are required to resign from staff to take up these appointments. No entitlement to staff re-employment exists. Executive Directors and Alternates have cooling off periods of one year and six months, respectively, for staff appointments, unless they served on the Fund staff immediately prior to taking up a position on the Executive Board.
Senior Advisors	<p>Fund staff are required to resign to take up these appointments. No entitlement to staff re-employment exists, but Senior Advisors appointed from the staff can receive a written understanding that they will be reappointed to the staff upon conclusion of their service.</p> <p>No cooling off period for appointment to the staff of externally appointed Senior Advisors, but subject to procedures for external recruitment.</p>
Advisors	<p>Fund staff are eligible for appointment to OED Advisor and do not have to resign from Fund staff. OED Advisors appointed from Fund staff have guaranteed staff re-employment rights on expiration of OED appointment.</p> <p>For externally appointed Advisors migration to Fund staff is subject to procedures for external recruitment.</p>
Assistants	<p>Fund staff are eligible for appointment to OED administrative positions.</p> <p>Internally recruited Assistants have guaranteed staff re-employment rights at their former grade on termination of OED service.</p> <p>For externally recruited Assistants migration to the staff is subject to the procedures for external recruitment (see also under termination below).</p>
<b>TERMINATION</b>	
ALTERNATE EXECUTIVE DIRECTORS	EDS CAN TERMINATE THE ALTERNATE ED AT ANY TIME FOR ANY REASON. NO NOTICE PERIOD IS REQUIRED.
Senior Advisors	<p>EDs can terminate any Senior Advisor at any time for any reason.</p> <p>If the appointment is terminated other than at the end of the period of service of the ED entitled to appoint the Senior Advisor, the ED is required to provide written notice of termination and 60 days notice period or payment in lieu.</p>
Advisors	<p>EDs can terminate any Advisor at any time for any reason. No notice period is required.</p> <p>If an Advisor is terminated following the expiration of the period of the Executive Director by the <i>successor ED</i>, the Managing Director (or</p>

	his/her designated representative) shall determine whether there is a staff vacancy on the regular staff for which, in his view, the person is qualified, and if so shall offer to appoint this person to the position. If there is no such position satisfactory to the person concerned, separation pay shall be granted on the same basis as is granted to staff members for reasons of reduction in strength or abolition of position.
Assistants	<p>EDs can terminate any Assistant employed in the Office at any time for any reason. No notice period is required.</p> <p>An externally recruited Assistant who has completed six years of continuous service and whose appointment is terminated is entitled to a regular staff appointment. The individual's grade and salary is "grandfathered" for a period of two years. If after that two year period, and after having passed the Fund's proficiency test, the individual has not been reassigned to an appropriately graded position, or has refused such assignment, he/she will revert to grade A4 in the Support Group or in certain cases to Grade A5.</p> <p>If an externally recruited Assistant is terminated following the expiration of the period of the Executive Director by the <i>successor ED</i>, the Managing Director (or his/her designated representative) shall determine whether there is a staff vacancy on the regular staff for which, in his view, the person is qualified, and if so shall offer to appoint this person to the position. If there is no such position satisfactory to the person concerned, separation pay shall be granted on the same basis as is granted to staff members for reasons of reduction in strength or abolition of position. This procedure will not be followed in cases of assistants with six years of continuous service.</p>
<b>DISPUTE RESOLUTION SYSTEM</b>	
Executive Directors, Alternates, and Senior Advisors	Do not have access to any part of the dispute resolution system, except under the Fund's benefits programs (e.g., SRP, MBP) .
Advisors and Assistants	Have access to the Administrative Tribunal and to the dispute resolution system under Fund benefits programs.