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CONFIDENTIAL

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 81/2
3:00 p.m., April 23, 1981

S. Nana-Sinkam, Chairman

Executive Directors	Alternate Executive Directors
A. Buira	M. A. Senior
	D. E. Syvrud
J. de Groote	
M. Finaish	
A. Kafka	J. R. Gabriel-Peña
	T. de Vries

E. C. Shinn, Secretary
J. A. Kay, Assistant

Also Present

	L. D. D. Price
B. Kharmawan	
	A. Nagashima
	G. Winkelmann
G. Lovato	C. P. Caranicas
J. Sigurdsson	

Administration Department: R. M. Broadway, A. D. Goltz, H. H. P. King, P. D. Swain, E. E. Umpierrez. Legal Department: J. G. Evans, Jr., Deputy General Counsel. Secretary's Department: B. R. Hughes. Treasurer's Department: R. Noë. Advisors to Executive Directors: S. R. Abiad, S. E. Conrado, A. B. Diao, G. Jauregui. Assistants to Executive Directors: M. J. Callaghan, M. V. Carković, L. E. J. Coene, A. Halevi, J. M. Jones, G. B. Lind, M. Michelangeli, J. Reddy, O. Uçer.

1. SALARIES OF ASSISTANTS TO EXECUTIVE DIRECTORS

The Committee members took up a paper (EB/CAM/81/10, 4/9/81; Sup. 1, 4/18/81; and Sup. 2, 4/23/81) on differentiation in starting salaries for Assistants to Executive Directors, which had been requested at EB/CAM/Meeting 81/1 (2/26/81).

The Chairman recalled that the Committee had asked the staff to look at the suggestion that Assistants recruited directly from central banks or Ministries of Finance be credited with three steps per year for their previous work experience, rather than 2.5 steps for experience elsewhere. The staff paper concluded that there did not seem to be grounds for differentiation in the salary treatment afforded one category of staff recruited from outside on the basis of the place of work. A further point on the same subject was the matter of the date from when the change in the number of steps for past service should apply. At EB/CAM/Meeting 81/1 it had been decided that the change in credit for past service would date from that meeting. However, Mr. de Vries had indicated that he would like to reconsider the matter.

The staff representative from the Administration Department explained that Assistants to Executive Directors joining the Fund since February 26, 1981, the date of EB/CAM/Meeting 81/1, had received credit of 2.5 steps per year of prior work experience; those who had joined before February 26, 1981 had been credited with two steps per year of work experience. The numbers involved were 13 from May 1, 1980 to end-February 1981, of whom 4 had joined in June 1980, 2 in July, 2 in October, 1 in November, 1 in December, 1 in January 1981, and 2 in February 1981.

Mr. de Vries explained that in order to avoid discrimination between Assistants arriving after February 26, 1981 and those arriving shortly before, it would be useful to make the adjustment slightly retroactive. Assistants tended to stay for some two years only, so that the starting salary was important as there would be very little increase thereafter. In his own office any Assistant arrived in the Fund with a detailed knowledge of Fund matters. He therefore proposed that the 2.5 steps credit should be granted to Assistants to Executive Directors who had arrived in the Fund during the present financial year.

Mr. Schneider said that he would support Mr. de Vries. He was not convinced by the Administration argument to the effect that there should be no differentiation.

Mr. Kharmawan, noting that the staff recommended against any distinction on the basis of former place of work, also supported Mr. de Vries, as did Mr. Buira, Mr. Sigurdsson, Mr. Finaish, and Mr. Lovato.

Mr. Price also supported Mr. de Vries, adding that it was his understanding that when an Assistant was placed in a step higher than would be deduced by the rule of thumb, if the new rule were to place him in a lower step, there would be no impact on his salary.

The staff representative from the Administration Department explained, first, that of the 13 Assistants he had mentioned earlier, 2 had arrived directly from university and would not qualify. Hence, 11 would be affected by any decision. Executive Directors were entitled to use their discretion in placing Assistants two steps above the rule of thumb level. In addition to the 13 Assistants who had arrived in the Fund between May 1, 1980 and February 26, 1981, 2 had arrived since February 26, 1981; they had been credited with 2.5 steps for each year of previous service. He would be in touch with each Executive Director individually regarding the appropriate placing of their Assistants.

The Committee members agreed that:

1. Assistants to Executive Directors who had joined the Fund since May 1, 1980 should be credited with 2.5 steps on the T scale for Assistants to Executive Directors per year of previous work service, regardless of the previous place of work;

2. the period of previous work service would be calculated up to the date of joining the Fund;

3. the staff would consult each Executive Director to determine the best way of ensuring that Mr. Price's understanding regarding the need to avoid an impact on an Assistant's salary in certain circumstances could be implemented.

2. TRANSPORTATION OF HOUSEHOLD EFFECTS - MR. DINI

The Committee members examined memoranda from Mr. Kafka and Mr. Lovato requesting reconsideration of Mr. Dini's request for reimbursement for the cost of excess weight on his repatriation shipment (EB/CAM/81/12, 4/20/81; and EB/CAM/80/41, 10/30/80).

The staff representative from the Administration Department explained that, insofar as the staff was concerned, the question of shipment entitlements on appointment and resettlement would be submitted to the Committee on Administrative Policies at its forthcoming meeting on April 28, 1981 in EB/CAP/81/2 (4/10/81). It was there recommended that no change should be made in the present rule. The table on page 2 of that paper showed that only 2 per cent (one out of 47) of Executive Directors and staff members without family had exceeded the maximum allowance of 7,000 pounds, and that 11 per cent (21 out of 185 shipments) of Executive Directors and staff members with family had exceeded the maximum allowance of 11,000 pounds in the period from January 1979 to February 1981. The average net weight of shipments for staff members without family had been about 3,200 pounds or 46 per cent of their maximum weight entitlement of 7,000 pounds, while the figures for staff members with family had been approximately 7,000 pounds or 64 per cent of the maximum weight entitlement of 11,000 pounds. Of those who exceeded the limit, 8 had been Executive Directors or Alternates, 5 had been Assistants, and 9 had been staff members. In practice only 10 persons had paid additional costs; the remaining 12 had not done so because they had not used their entitlement for air cargo. Among the Executive Directors and staff members with family there had been five couples where both partners were working in the Fund. All of them had managed to keep their shipment within the allowance, the largest being 10,000 pounds. There had been one shipment by a Fund/Bank couple in which the excess had amounted to 1,230 pounds. The exact cost of the shipment had yet to be ascertained.

In reply to Mr. Schneider, the staff representative went on to explain that the allowance for a single person was either 7,000 pounds or 1,000 cubic feet and for a family 11,000 pounds or 1,600 cubic feet. If the weight or value entitlement was exceeded, the Fund would pay 75 per cent of the first 25 per cent excess and the staff member 25 per cent; for the next 25 per cent, the Fund would pay 50 per cent of the excess and the staff member 50 per cent. The Fund would thus be paying under the weight allowance formula for an additional 5,500 pounds. No exceptions to the rule had ever been made for staff members.

Mr. Kafka commented that the staff argument was far from convincing. It seemed to rely on the fact that because few Executive Directors or staff members exceeded the allowance, there was no need to make provision for them. As he saw it, the whole thing was a matter of equity. A provision of 7,000 pounds for a single person and 11,000 pounds for a couple represented discrimination against households. In the case of Mr. Dini, he had been an Executive Director for a considerable time after being a staff member for a longer time, and his wife had also been a staff member for a considerable period. There was therefore a good case for special treatment; but his main objection to the existing arrangement was that it was inequitable.

Continuing, Mr. Kafka said that the proposal in EB/CAP/81/2 was unreasonable and that he would object to it in the Committee on Administrative Policies. The rule extending the allowance from 11,000 pounds to 14,000 pounds should be generalized even if married staff members had certain other advantages such as travel on points. In passing, that was a privilege that Mr. Dini had lost when he had become an Executive Director.

Mr. Buira suggested that as Executive Directors for the most part had more expensive representation demands on them than there were on the staff, there might be a case for larger household allowances for Executive Directors. He would in any event support Mr. Dini's request, but the case was more general.

The staff representative from the Administration Department noted that the weight allowances were the same for Executive Directors and for staff members. An allowance for nonshipment of automobiles had been approved for Executive Directors but not for staff. Mr. Dini had benefited from that allowance.

Mr. de Vries said that he agreed with Mr. Kafka and Mr. Buira. EB/CAP/81/2 was not at all convincing in its argument that the shipment allowance should not be increased for Executive Directors and staff members with family. There was a good case for enlarging the general entitlement to 14,000 pounds for Executive Directors and staff members with family, as proposed by Mr. Kafka. In order to indicate the attitude of the Committee to the Committee on Administrative Policies, he proposed that the Committee should approve Mr. Lovato's request and ask the staff to look into the matter further.

Mr. Finaish said that Mr. Dini's case was convincing, even if it required special treatment. He had been in the Fund altogether for more than 20 years; he and his spouse, although living together, were two separate staff members, and there seemed to be no reason why they should not receive the 14,000 pound allowance accordingly.

Mr. Syvrud stated that, while he was personally sympathetic to Mr. Dini's request, he did not wish Executive Directors to be seen to be having a benefit that was denied to the senior staff. He would therefore like to see the matter tackled on a more general basis. One way would be to raise the allowance to 14,000 pounds when both members of a couple were either Fund staff members or Executive Directors. In practice, the change would be a minor one.

A staff member from the Administration Department observed that the difficulty in making the change suggested by Mr. Kafka and Mr. Syvrud was that it would run counter to the decision on Coordination with Other International Organizations (EBAP/76/77, 4/9/76), reading:

> If a staff member of the Fund is married to a staff member of another international organization which offers identical or nearly identical benefits, the spouses should not be permitted to claim double use of the same benefit. The two spouses should be at no relative advantage or disadvantage compared with what their situations would have been had they both been employed in the Fund.

Fund/Fund couples were not entitled to duplicate benefits.

Mr. Price said that while he personally could not see anything wrong in treating Fund/Fund couples as two single people for the purpose of staff benefits, he understood the staff argument. If the approach of raising the allowance for Executive Directors with family to 14,000 pounds was adopted, he would like to see the same allowance extended in particular to senior staff.

Mr. Kharmawan said that he would oppose any distinction between Executive Directors and staff so far as benefits of the present type were concerned. He would support Mr. Kafka's proposal that if both members of the couple were Fund Executive Directors or staff members they should be entitled to an allowance of 14,000 pounds.

Mr. Nagashima said that he too would support Mr. Dini's request but that he would like the matter to be generalized and raised with the Committee on Administrative Policies so far as the staff was concerned. He wished the next two items on the agenda also to be raised in the Committee on Administrative Policies.

Mr. Syvrud said that he too would like to see the point generalized; he would not approve Mr. Dini's request on an ad hoc basis.

Mr. de Vries commented that he certainly did not wish to discriminate between Executive Directors and staff. It was desirable to change the requirement and so inform the Committee on Administrative Policies. The staff representative's figures were not really indicative; the existence of the limit had an effect on the actions of Executive Directors and staff members. Mr. Ruding, for instance, had given away books and wine in order not to have to pay excess above the allowance. It would be improper to prevent the legitimate use of the benefits available to staff members.

The staff representative from the Administration Department observed that the allowance referred both to installation and to repatriation. In fact, only one person coming under the heading of Executive Directors and staff members without family had exceeded the 7,000 pound allowance. In suggesting that married couples should have the same benefits as two unmarried persons, Executive Directors would have to bear in mind the repercussions on other benefits. In practice, the Fund had not repatriated two single persons to the same destination at the same time.

Mr. Finaish commented that it would be improper to discriminate against married couples; clearly the Fund could take no action regarding unmarried persons who lived together.

Mr. Lovato considered that Mr. Dini's case was such that an exception should be made to the rules on the grounds set out in his memorandum.

Mr. Schneider stated that while he had sympathy for Mr. Dini, he would like to find a general solution to the problem that would not imply any difference between staff and Executive Directors.

Mr. Buira proposed that if there were difficulties in raising the weight limit, the Fund might consider paying 90 per cent of the first 25 per cent excess rather than 75 per cent; such an arrangement might be a reasonable compromise.

Mr. Kafka suggested that one way out of the difficulty might be to wait until a recommendation had been made in the Committee on Administrative Policies for the staff. If the decision there was unsatisfactory, the Committee on Administrative Matters could take up Mr. Dini's case again. Furthermore, the present Committee could decide that even if more than six months had elapsed since Mr. Dini's departure, he would still be entitled to reimbursement if that was the outcome of the Committee's discussion.

Mr. Price suggested that the period of 12 months should be substituted for the period of 6 months in the Committee's original decision regarding Mr. Dini's request.

The Committee members:

1. invited the staff to examine the implications of changing the maximum allowance for Executive Directors and staff members with family to 14,000 pounds; and to consider Mr. Buira's proposal that the allowance for Executive Directors and staff members with family should be left at 11,000 pounds, but that the Fund should pay for 90 per cent of the first 25 per cent excess;

2. agreed that if a satisfactory decision were reached in the Committee on Administrative Policies it should also apply to Mr. Dini; but that if the decision in that Committee were unsatisfactory, the Committee could return to Mr. Dini's request at a later date;

3. agreed to replace "6 months" by "12 months" in the earlier decision regarding Mr. Dini's request.

3. TRANSPORTATION OF HOUSEHOLD EFFECTS

The Committee members considered a memorandum from Mr. Kharmawan concerning the transportation of personal effects of Mr. Reddy, one of his Assistants (EB/CAM/81/11, 4/16/81), and a memorandum from Mr. Mapa concerning the transportation of personal effects of Mr. Pinfield, one of Mr. Prowse's Assistants (EB/CAM/81/13, 4/21/81).

The Chairman explained that the question at issue was whether the Fund would bear the cost of transporting household effects to a place of storage in home countries, when persons joining the staff of the Fund elected not to bring household effects to Washington.

The staff representative from the Administration Department explained that for the staff the policy was that the Fund would bear the cost of bringing belongings from the place where the new staff member resided to Washington. The staff did not have authority to reimburse the cost of transportation of household effects to a place of storage in a home country; it was reluctant to approve the principle of paying for local shipment, especially in the home country, on the grounds that the costs were difficult to verify. There had only been one exception, namely, when a staff member moving his home from one place to another in the host country had been asked to come to Washington as soon as possible. He had therefore had to decide where to send his household effects without knowing the Fund's shipping entitlements.

Mr. Kharmawan commented that in Mr. Pinfield's case the forwarder indicated by the Fund had attached a bill and a specification of the belongings actually removed. It was therefore hardly doubtful that the costs claimed had been incurred.

In reply to Mr. Schneider, the staff representative from the Administration Department noted that the policy was applicable not only to long-term staff members but also to fixed-term staff appointees.

Mr. Buira considered that it ought to be possible to find a generalized solution that would not only meet the two requests before the Committee but also save the Fund some money. His proposal was that the Fund should pay domestic transportation and storage costs when they were lower than the cost of transportation to Washington. Naturally, actual costs would have to be verified by documentation. The provision would be particularly relevant to Assistants to Executive Directors, who came to Washington on fixed-term appointments. If the Fund did not wish to pay for domestic transportation and storage, persons joining the staff or the offices of Executive Directors might decide to bring their possessions to Washington, thus costing the Fund more.

Mr. Nagashima said that he supported Mr. Buira. There must be a considerable number of fixed-term appointees among the staff and members of Executive Directors' offices who would prefer to store their furniture in their home country. Japanese staff members and members of Executive Directors' offices for instance usually had furniture in Japan that was not suitable for use in the Washington area. The Bank of Japan in fact had an arrangement for storing free of charge the possessions of staff members working overseas.

Mr. Kafka said that he too would support Mr. Buira's proposal. Naturally, there should be a limit on the possible cost to the Fund. If the person concerned stayed in Washington longer than expected and the total cost exceeded that of transportation of the personal effects to Washington, the staff member would be liable for the difference.

Mr. Price said that he liked Mr. Buira's proposal, but that he supposed that it would have to be taken up by the Committee on Administrative Policies. Indeed, he wondered whether it was within the competence of the Committee to make exceptions to existing rules to Assistants to Executive Directors, who for the most part were assimilated to Fund staff. He was not entirely clear whether the proposal would cover both transportation and storage in the home country or transportation alone, or whether the provision could be made retrospective for fixed-term Assistants already in Washington.

In reply to Mr. Sigurdsson, the staff representative from the Administration Department explained that U.S. nationals on the Fund staff whose original place of residence was outside Washington were treated in the same way as non-U.S. staff.

Mr. Schneider said that he would support the two requests. He did not wish to adopt a general rule without seeing a staff paper on the possible repercussions. The limit on reimbursement for transportation and storage costs in the home country should be lower than the entitlement under the general policy.

Mr. Syvrud said that he agreed both with Mr. Buira and with Mr. Schneider. He would support the two requests even without any generalization. It was easier to support specific requests that would not benefit Executive Directors.

Mr. de Vries and Mr. Finaish said that their position was the same as that of Mr. Syvrud. They would support the two present requests, but would not commit themselves to backing any general rule without seeing a paper on the possible repercussions.

The Deputy General Counsel, replying to the question raised by Mr. Price on the competence of the Committee to grant an exception to a general rule for Assistants to Executive Directors, explained that rules for Fund staff were the responsibility of the Committee on Administrative Policies, while those for Executive Directors were the responsibility of the Committee on Executive Board Administrative Matters. The Committee had been delegated the authority to take decisions in individual cases affecting Executive Directors or Alternate Executive Directors with no wider implications. The purpose of the delegation to the Committee was to enable the Committee to dispose of requests for minor deviations from the rules, and the type of deviation that had been cited as an example when the delegation was made was the extension beyond the time within which a shipment was to have been made after the expiry of the term of office of an Executive Director. The intention was that such decisions would deal with similar minor matters and not establish new positions. If the intention was to establish a new rule, the matter would have to be considered by the Executive Board.

The Committee members:

1. approved the request for domestic transportation and storage of household effects set out in EB/CAM/81/11 and EB/CAM/81/13 on the understanding that the cost should not exceed the cost of transporting the effects to Washington;

2. invited the staff to prepare a paper containing a new rule on reimbursement of cost for domestic transportation and storage of personal effects to apply to Executive Directors and staff alike, for review by the Committee on Administrative Policies, and submission to the Executive Board.

4. EDUCATION ALLOWANCE - TUTORING FOR DAUGHTER - MR. MAPA

The Committee members took up a request by Mr. Mapa for an allowance to help defray the cost of providing a tutoring program in mathematics for his daughter (EB/CAM/81/14, 4/21/81).

The Chairman explained, in the absence of Mr. Mapa, that when Mr. Mapa had been in the World Bank, the additional expense of obtaining a mathematics tutor for his daughter, who had a learning disability in mathematics, had been reimbursable by the World Bank as long as the total cost in addition to the regular tuition remained within the overall limit. However, in the Fund, Mr. Mapa had been told by the staff that the extra cost for the necessary tutoring did not qualify under either the education allowance policy or the medical insurance plan. He was asking to be treated in the same way in the Fund as he had been in the Bank.

The staff representative from the Administration Department stated that he had discussed the case with the World Bank staff in general terms. The World Bank had authorized such reimbursements as special cases both for Executive Directors and for staff members, provided that the amounts did not exceed the maximum allowance under the education policy. The Fund policy was rather narrower, as any special reimbursement was limited to language tutoring and to such subjects as would assist the student in re-entering the educational system in the home country. There were no exceptions in the Fund. However, the Administration Department was very sympathetic to all requests like that made by Mr. Mapa, and if the Committee approved Mr. Mapa's request, the staff would try to obtain a general authorization for reimbursement in similar cases for the staff as well. However, the disability suffered by Mr. Mapa's daughter was more of a medical than an educational nature, and it might be difficult to formulate a general rule under the education allowance policy, which was not available to all staff members. The Fund's medical insurance policy did not cover such cases.

Mr. Buira commented that in the Bank of Mexico the medical insurance scheme would cover such cases, and he wondered whether the staff had taken the matter up with the Fund's insurance company.

Mr. de Vries inquired what the World Bank did for staff members who were not eligible under the general education policy.

The staff representative from the Administration Department commented that he had not taken the matter up with the Fund's insurance company, which dealt only with medical treatment, rather than educational instruction. The World Bank made exceptions only for cases that came within the general education policy. The present case would not be covered by the Bank's medical policy.

Mr. Kafka and Mr. Buira said that as there was no question of the reimbursement exceeding the maximum permissible under the general educational allowance, it was clear that if the school had charged an extra fee to the parents for the tutoring, the extra cost would have been reimbursable by the Fund. The way to look at the matter was to consider the total cost of tuition. They would certainly approve Mr. Mapa's request.

Mr. de Vries, Mr. Schneider, and Mr. Finaish said that they took the same view as Mr. Kafka and Mr. Buira.

Mr. Syvrud said that as the education allowance was not receivable by U.S. staff members, he would not comment.

The Committee members:

1. approved Mr. Mapa's request on the understanding that the total cost would not exceed that available under the general education allowance policy;

2. noted that Mr. Syvrud had abstained;

3. invited the staff to look into the possibility of devising a rule under the Medical Benefits Plan making the same benefit available for all Fund staff.

They should explore the possibility of covering such expenses under the Medical Benefits Plan.

5. TRAVEL AND TRANSPORTATION OF EFFECTS FOR U.S. EXECUTIVE DIRECTOR

Mr. Syvrud noted that while all other Executive Directors and Alternates were entitled to reimbursement of costs when leaving the Fund and returning home, and U.S. staff members as well, the U.S. Executive Director and Alternate Executive Director were not so entitled. The provision did not seem at all fair.

Mr. Buira, Mr. Kafka, Mr. de Vries, Mr. Schneider, Mr. Finaish, and Mr. Sigurdsson all remarked that there was certainly no reason for discrimination, and that the matter should be put right as soon as possible.

The Deputy General Counsel explained that the basic authority for removal travel was Section 14(f) of the By-Laws, but that the question concerned the application of that basic authority in Part II, "Removal Travel," in the Handbook on Executive Board Administrative Matters. The By-Law itself did not discriminate, and the Executive Director for the United States would not be discriminated against if his original place of residence was outside Washington. However, if he had been a government official living in Washington and, on leaving the Fund, he needed to move his personal effects to a city elsewhere in the United States, he was not covered by Section 1(b) in Part II "Removal Travel," of the Handbook on Executive Board Administrative Matters as written. It was not the language in Section 14(f) of the By-Laws but its application that was at question.

In reply to a question by Mr. Price, the Chairman said that the new language should be worded in such a way that it could apply to Mr. Cross, who had left the Fund on January 10, 1981.

The Committee members:

invited the staff to prepare an amendment to Section 1(b) of Part II, "Removal Travel" of the Handbook on Executive Board Administrative Matters for submission to the Executive Board, that would ensure that the United States Executive Director had the same benefits in respect of removal travel as other Executive Directors.

The Committee adjourned at 4:50 p.m.

APPROVED: September 2, 1981