

CONFIDENTIAL

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 81/4
3:00 p.m. October 20, 1981

A. Kafka, Acting Chairman

Executive Directors

A. Buira

Alternate Executive Directors

O. Üçer, Temporary
J. E. Leimone, Temporary
S. R. Abiad, Temporary
A. Le Lorier
C. Bouchard, Temporary
Tai Q.

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

Also Present

G. Lovato

H. Alaoui-Abdallaoui, Temporary
Y. Okubo, Temporary

T. de Vries
L. Vidvei

Administration Department: C. V. Bielaski, R. M. Broadway,
H. H. P. King, 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:
G. Jauregui, A. K. Mullei.

1. EXECUTIVE DIRECTORS - WEIGHT ALLOWANCES

The Committee considered a memorandum from Mr. Buira proposing a modification in the sharing formula for removal shipments in excess of the entitlement (EB/CAM/81/39, 10/19/81). It also had before it a paper on weight allowances prepared for the Committee on Administrative Policies and referred to the Chairman of the Committee on Executive Board Administrative Matters by the Managing Director in his capacity as Chairman of the Committee on Administrative Policies (EB/CAM/81/38, 10/16/81).

The Chairman noted that in EB/CAM/81/38 the staff had found that it was not possible to justify a recommendation for an increase in the weight allowance maxima for staff members. It had however found that when the data for members of Executive Directors' offices were examined separately and contrasted with the data for the staff, a number of differences emerged. There might, therefore, be a case for handling the entitlements of the two groups separately. Consequently, there might be a case for changing the formula so far as Executive Directors were concerned.

Mr. Buira explained that the table in EB/CAM/81/39 did not entirely reflect his intention, which would be more accurately rendered by a different table reading:

<u>Single Executive Director</u>	<u>Fund</u>	<u>Executive Director</u>
1st 25 per cent excess (up to 8,750 lbs)	90	10 per cent
2nd 25 per cent excess (up to 10,500 lbs)	75	25 per cent
3rd 25 per cent excess (up to 12,250 lbs)	50	50 per cent
<u>Executive Director with Spouse and/or Dependents</u>		
1st 25 per cent excess (up to 13,750 lbs)	90	10 per cent
2nd 25 per cent excess (up to 16,500 lbs)	75	25 per cent
3rd 25 per cent excess (up to 19,250 lbs)	50	50 per cent

The staff representative from the Administration Department, in reply to a question about how Mr. Buira's proposal would affect the case of Mr. Dini, replied that under the present rules Mr. Dini would be liable to pay \$4,089 and under Mr. Buira's proposal, \$1,841, a saving to Mr. Dini of \$2,248. Two Directors, Mr. Ruding on departure and Mr. Senior on arrival, had had overages since Mr. Dini had left the Fund. If any changes were made, Executive Directors might wish to consider extending them to all Directors as a group.

Commenting on Mr. Buira's proposal, the staff representative from the Administration Department recalled that the present arrangements for sharing the cost of excess weight over the basic shipment allowance on appointment and resettlement had been adopted in 1961 for Executive Directors, but only extended to the staff during 1966. At that time, therefore, Executive Directors had seen no difficulty in making some distinction between treatment of members of the Executive Board and treatment of staff. At the beginning of a packing operation, it was not easy to estimate how much a shipment would weigh, and it was difficult for Executive Directors to know what they should leave behind in order to remain within the weight limit. There was bound to be a margin of error around the maximum, and it seemed reasonable for the cost to be shared more equitably between Executive Directors and the Fund.

Mr. de Vries observed that, while he had written a memorandum pointing out that Executive Directors who took their duty seriously

probably accumulated more books than most staff members and that books were comparatively heavy, Mr. Ruding had not asked for any change in the rules.

Mr. Üger said that he would support Mr. Buira's proposal.

Miss Le Lorier stated that she was not in favor of introducing any differentiation in treatment between the staff and Executive Directors. Moreover, she was not sure she had fully understood the rationale of the argument in support of a change in EB/CAM/81/38 to the effect that some authorities provided furnished homes for members of the Executive Board, while others did not. It was surely not up to the Fund to compensate members of the Executive Board for the difference in treatment by national governments. At present, Executive Directors paid 25 per cent of the first 25 per cent excess and 50 per cent of the second 25 per cent; thereafter, it was up to Executive Directors to decide on economic grounds how much they wished to ship home. There was quite a substantial difference between the number of shipments just under the limit and those just over. If a more generous cost sharing scheme were introduced, she feared that Executive Directors would change their behavior to take advantage of it and that the cost to the Fund would be higher than the staff had forecast.

The staff representative from the Administration Department explained that, in mentioning that some Executive Directors had furnished housing provided in Washington while others did not, the staff had intended to show merely that the average weight of shipments might be understated. The figures for the average cost given in the paper included shipments for staff members. If the Executive Directors were to accept Mr. Buira's proposal, the additional cost to the Fund might be about \$1,000 per year.

Mr. Bouchard said that he would support Mr. Buira's proposal.

Mr. Abiad recalled Mr. Finaish's view on the matter and stated that he would favor any proposal that would help to accommodate Mr. Dini's case. If Mr. Buira's was the only viable one and could be helpful for that purpose, he would support it. However, he would be interested in knowing whether the staff would be able to calculate actual excess shipments if members of the Executive Board were entitled to a total shipment of 22,000 lbs for appointment and resettlement together.

The staff representative from the Administration Department remarked that such an arrangement would be difficult to operate. Some members of the Executive Board arrived with very few personal effects and might change their family status before leaving, perhaps many years later. Further, some Executive Directors remained in the Fund so long that the records of the shipments made by them on arrival would be hard to find.

Mr. Tai stated that he would go along with Mr. Buira's proposal. He wondered, however, whether it might not give rise to complaints by the staff.

Mr. Buira reminded the Committee members that in EB/CAM/81/38 the Administration Department had examined the situation and had found that there were no grounds for altering the present arrangements so far as the staff was concerned. It was perhaps felt that Executive Directors might have more social commitments, leading them to acquire more furniture and household objects as well as books.

Mr. Lovato and Mr. de Vries said that they would support Mr. Buira.

Mr. Vidvei stated that he would prefer to stick to the present rules.

Mr. Okubo remarked that his authorities were not in favor of making differentiations between Executive Directors and the staff; and Mr. Leimone said that he too was concerned by the creation of such differences.

Mr. Alaoui-Abdallaoui commented that he would support Mr. Buira, but that he would like to have the proposal by Mr. Abiad considered before taking a decision.

In response to an inquiry by the Chairman, the staff representative from the Administration Department noted that the Committee had until November 6, 1981 to make a recommendation.

Mr. Buira explained that he had put forward a general rule precisely in order to try to avoid taking up individual cases, a procedure that was always invidious. He hoped that the Committee could come to a decision on a matter that was perhaps not of the gravest importance and had already taken up a considerable amount of time.

The Chairman explained that of the 13 who had spoken, 9 favored and 4 opposed Mr. Buira's proposal. One reason for studying Mr. Abiad's suggestion would be to avoid sending a divisive recommendation to the Executive Board.

Miss Le Lorier stated that she would follow the wisdom of the Committee, it being clearly understood that uniformity of treatment between staff and Executive Directors still remained a basic principle to which she and her authorities were attached.

The staff representative from the Administration Department recalled that, three or four years previously, the Committee on Executive Board Administrative Matters had made a recommendation that there should be no limit on the amount of insurance taken out on shipments of effects for members of the Executive Board, while there were limits on the insurance available for shipments of staff members.

The Chairman concluded that the Committee would wish to recommend Mr. Buira's proposal to the Executive Board for decision on a lapse-of-time basis.

The Committee members approved the proposal by the Chairman and adjourned at 3:35 p.m.

APPROVED: March 3, 1982