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COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 82/1
3:00 p.m., January 19, 1982

J. de Groote, Chairman

Executive Directors	Alternate Executive Directors
A. Buira	
B. de Maulde	A. Le Lorier
R. D. Erb	
M. Finaish	
A. Kafka	
S. Nana-Simkam	
Zhang. Z.	

E. C. Shinn, Secretary
R. S. Franklin, Assistant

Also Present

	C. Taylor
	H. G. Schneider
	T. Yamashita
R. K. Joyce	
B. Kharmawan	
G. Laske	
	C. P. Caranicas
	L. Vidvei

Administration Department: M. Russo, Deputy Director; C. Ahl, A. D. Goltz, J. D. Huddleston, M. Rosseel, P. D. Swain. Legal Department: J. V. Surr. Secretary's Department: B. R. Hughes. Treasurer's Department: M. Lacaze, R. Noë. Advisors to Executive Directors: S. R. Abiad, S. E. Conrado, A. B. Diao, G. Jauregui, F. A. Tourreilles. Assistants to Executive Directors: H. Alaoui-Abdallaoui, M. K. Diallo, J. L. Feito, J. E. Leimone, J. A. K. Munthali, D. V. Pritchett.

1. REVIEW OF TRAVEL ALLOWANCES FOR EXECUTIVE DIRECTORS

The Committee considered a staff paper reviewing travel allowances for Executive Directors and proposing revisions in the rates under the three-tier system (EB/CAM/81/43, 12/4/81).

The Chairman observed that the proposed revisions were in line with changes made in staff allowances that had entered into effect on November 1, 1981 and December 1, 1981. Rates under the three-tier system for staff allowances had been increased, provision had been made for a change in the proportion of the overall rates allocated to hotel expenses, and the in-and-out allowance had been revised to include coverage of airport taxes, which had previously been reimbursed on an itemized basis. Moreover, since December 1, 1981, a lump-sum allowance had been paid in lieu of separate allowances for subsistence, hotel, and in-and-out expenses for travel to and from mission sites.

The Deputy Director of the Administration Department noted that the World Bank Committee on Directors' Administrative Matters would be reviewing travel allowances for World Bank Executive Directors on February 3. The Bank paper proposed the same three rates as for Fund Executive Directors--namely $135, $105, and $95--plus a fourth rate of $120, which would be applicable to 24 cities. Under the Bank proposal, when the standard rate was inadequate, Executive Directors would continue to be able to claim actual hotel costs plus 50 per cent of the applicable rate. The Bank was not proposing to introduce the lump-sum allowance or to increase the in-and-out allowances for Executive Directors. However, the Bank paper did include a proposal to increase travel allowances for spouses and dependents over four years of age on resettlement and home leave travel to 100 per cent of the rate applicable for Executive Directors. For dependents under four years of age, one-half of the rate for Executive Directors was proposed.

Mr. Buira observed that, under the proposed rate changes, the amount allotted for subsistence was less than 50 per cent of the total. Particularly where actual hotel costs might be much higher than the amount allotted for those costs, it would be preferable to provide a subsistence rate equal to at least 50 per cent of the total.

The Deputy Director of the Administration Department commented that, when the rate changes had been approved for the staff, the proportion of hotel costs in the total had been increased because experience had shown that hotel costs had risen more rapidly than subsistence costs. However, when actual hotel rates exceeded the allotment, Executive Directors could always request reimbursement for the actual hotel costs; if the actual cost of subsistence was higher than the proposed figure, the individual could also request reimbursement by substantiating the higher cost. The reason the total rate had been broken down into hotel costs and subsistence costs was only to indicate the threshold at which an Executive Director could claim the actual hotel cost without having to claim a particular figure for subsistence.

In response to a question on per diem allowances when no hotel costs were involved, the Deputy Director noted that per diem calculations were actually made on a per night basis, so that when a night was spent in flight--for example, from Washington to Paris--Executive Directors would receive an allowance of $55 rather than one half the overall rate. Again, however, costs above the $55 figure would be reimbursed if they were substantiated.

Mr. Erb asked why it was proposed to pay a fixed lump-sum allowance for stopovers rather than paying only actual costs. He also wondered why the in-and-out allowance for Executive Directors was different from that for the staff.

The Deputy Director of the Administration Department replied that the lump-sum allowance had been proposed mainly to reduce administrative work. The Executive Board had approved the allowance for the staff effective December 1, 1981; the paper under consideration was proposing that a similar system be introduced for Executive Directors.

The proposed in-and-out allowance was also being simplified, the Deputy Director continued. In the past, staff and Executive Directors had had to request reimbursement for certain items--such as the airport tax--that were not included in the existing in-and-out allowance. Those elements had been taken into account in the proposed new allowance, although itemized and substantiated actual costs would continue to be reimbursed where the total for all stopovers exceeded the standard rate. The reason for the differentiation in the amount of the in-and-out allowance for Executive Directors and staff was that staff members--because they generally traveled in groups on missions--could share the cost of taxi fares, while Executive Directors were less likely to have the opportunity to share such costs.

Mr. Kharmawan observed that, according to the attachments to EB/CAM/81/43, the Fund used several classifications of countries for which standard allowances were being proposed, while the World Bank apparently used a classification of cities. He would be interested in an explanation of the difference in approach. He also wondered about the justification for placing a country like Fiji among those for which the highest standard allowance was proposed. His own experience suggested that it cost far less to stay in Fiji than in countries like the United States, Japan, the United Kingdom, and others. In general, there appeared to be a number of oddities in the various categories, and he would appreciate some elaboration of the method that had been used to determine the placement of countries within them.

The Deputy Director of the Administration Department remarked, first, that the Bank chose to look at cities because its staff frequently traveled outside the capitals; the Fund had only to deal with capital cities, which was what was intended by the country designations. There was less difference in the experience of the two institutions in capital cities only, although the figures could be provided if Committee members so wished.

The reason for the apparent anomalies in some of the categories was that the Fund classified countries into groups on the basis of average costs, leading to some wide divergencies within each category, the Deputy

Director said. It might well be that a country such as Fiji was at the very bottom of the range so that the standard allowance was higher than the actual cost; by the same token, however, actual costs in London or Paris were likely to be higher than the standard rate.

A staff representative from the Administration Department, commenting on the data used to place countries within categories for the purpose of standard allowances, stated that the Fund used data on Fund staff travel for the previous six-month period when they were available; if that information was not available but data on Bank staff travel were available from the Bank, the Fund used the Bank's information. If neither institution had data for the previous six-month period, existing data from a previous period were used.

Mr. Zhang asked whether any thought had been given to using information available from the United Nations.

The staff representative from the Administration Department replied that data from other organizations, including the State Department and the United Nations, had been used some years previously. However, the data had often been conflicting, and it had finally been agreed that in-house data should be employed, although outside data would be used as a cross check.

Mr. Kafka noted that the text of the decision that it proposed to recommend to the Executive Board suggested that the changes, if adopted, would be effective from November 1, 1981. In his view, it would be a mistake to make the decision retroactive, and he proposed that the decision should be effective from the day on which it was adopted by the Executive Board.

The members of the Committee accepted Mr. Kafka's proposal and agreed to recommend the following decision to the Executive Board for approval on a lapse-of-time basis (EB/CAM/81/43, Sup. 1, 1/27/82):

1. Per night allowances are increased to a standard rate of $135 for countries in Attachment I, $105 for countries in Attachment II, and $95 for all other countries.

2. Executive Directors have the option of claiming the actual cost of hotel accommodations (normally understood to mean a room), plus 50 per cent of the applicable per night allowance for meals, tips, and valet, upon submission of the hotel bill. When claiming actual hotel costs, Executive Directors may claim more than 50 per cent of the applicable per night allowance, if justified by supporting evidence.

3. The in-and-out allowance shall be increased from $24 to $32 and shall include coverage for airport taxes.

4. A lump sum allowance for travel expenses of Executive Directors en route from Washington to the first official destination and en route from the last official destination to Washington shall be paid in lieu of hotel, subsistence, and in-and-out expenses.

The lump sum will basically consist of the highest standard rate for each stopover as authorized for staff together with the corresponding number of in-and-out allowances. The lump sum will be paid only for those stopovers actually taken and not paid for by the airlines. A subsistence allowance of 50 per cent of the highest standard rate will be paid for each extra day where subsistence expenses are incurred following a night flight. When the rate of the per night allowance or the in-and-out allowance used to calculate the lump sum is inadequate, reimbursement will be made on the basis of itemized actual hotel expenses or itemized actual in-and-out expenses for the entire round trip. When the number of authorized stopovers and travel days is clearly insufficient, e.g., due to cancelled or delayed flights, the lump sum allowance will be adjusted accordingly.

The lump sum concept will apply to benefit travel in the established proportions for dependents.

The Committee further recommended that the above decision be made effective from the date on which it was approved by the Executive Board.

It was agreed that the Administration Department would provide members of the Committee with a table showing any discrepancies in the experience data of the Fund and the World Bank with respect to the average costs for staying in capital cities of member countries; the Committee indicated that, if major discrepancies were evident, it might be necessary to revise the categories on a later occasion.

2. STAFF FOR OFFICES OF THE EXECUTIVE DIRECTORS

The Committee members considered a report dealing with travel by Assistants to Executive Directors together with a proposal for possible application by the Fund of the more flexible World Bank system used to allocate positions in the offices of Executive Directors (EB/CAM/81/44, 12/4/81).

a. Travel by Assistants to Executive Directors

The Chairman observed that, under current practice, ad hoc requests for Fund business travel by Assistants to Executive Directors were submitted first to the Committee on Executive Board Administrative Matters and then to the Executive Board for approval. A number of Executive Directors had indicated that a relaxation of the current procedure might be helpful, and the paper proposed several options for the purpose. Option (a) would allow all Assistants to undertake business travel on behalf of Executive Directors; Option (b) would allow travel by Assistants who were on the salary scale at T-20 and above; Option (c) would allow travel by Assistants to Executive Directors who had been authorized to have Advisor positions prior to the February 23, 1981 decision on Advisors; Option (d) would allow travel by Assistants to Executive Directors in offices where the Advisor position was vacant; and Option (e) would allow Executive Directors to submit ad hoc requests for travel by Assistants directly to the Executive Board for approval.

Mr. Leimone inquired whether agreement on a particular option would mean that Assistants in other categories would be prevented from traveling.

The staff representative from the Administration Department observed that, whatever option was agreed upon, Executive Directors would still be entitled to bring ad hoc requests for travel by Assistants to the Committee.

Mr. Leimone stated that, in the circumstances, his preference was to retain the current system. There had recently been an increase in the number of Advisors for all Executive Directors' offices, and that increase might help to alleviate the travel problem.

Mr. de Maulde said that he too could accept the current system.

Mr. Buira indicated his preference for Option (c), which would go some way toward facilitating travel by Assistants to Executive Directors elected by a large number of countries.

Mr. Zhang and Mr. Kafka stated that they could accept the present system.

Mr. Finaish said that his position was similiar to that of Mr. Buira's. Some Executive Directors had quite large constituencies and needed additional flexibility to allow Assistants to travel. There might even be cases in which, although an Advisor was available for travel, it would be preferable to send an Assistant on a particular mission because he was the most suited for the task. Options (d) and (e) did not appear to improve much upon the existing procedure, while Option (b), if adopted, would give the impression that travel was a privilege based on pay, which was not the intention. Hence, his preference was for Option (c), although he could go along with the consensus.

Mr. Kharmawan considered that the present system provided sufficient flexibility for those Executive Directors who felt strongly that their Assistants should be allowed to travel.

The Committee Secretary, in response to a request by Mr. Nana-Sinkam for information on experience under the present system, observed that the Committee had not been overburdened by requests from Executive Directors for travel by Assistants.

Mr. Nana-Sinkam stated that, in the circumstances, there did not appear to be a case for changing the present system, particularly since, as he understood it, no Executive Director had been refused a justifiable request.

Mr. Buira remarked that, if the present system was such that the Committee on Executive Board Administrative Matters could deal with a request on short notice, he could agree to retain it.

The Chairman indicated that requests could be submitted first to the Committee and then to the Executive Board for approval on a lapse-of-time basis at each stage, an amendment that appeared to facilitate the process and meet some of the concerns expressed by Mr. Buira. There was in any event a clear preference among Committee members for maintaining the present system.

b. Flexible System for Position Allocation in Executive Directors' Offices

The Chairman observed that, in the past, Executive Directors had been given the flexibility to downgrade positions in their offices--with the exception of Advisor positions--but they had not been entitled to upgrade them. On June 29, 1981 the World Bank Executive Board had approved an arrangement for staffing of offices of Executive Directors--similar to that approved by the Fund on February 23, 1981--providing new staff ceilings for offices of Executive Directors. However, Bank Executive Directors had been given somewhat more flexibility because each Director had the discretion to allocate his basic entitlement of five positions between Assistants and secretarial assistants. Some Fund Executive Directors had requested that the World Bank flexibility be applied in the Fund. In addition, a suggestion had been made to allow those Executive Directors who did not choose to take up their entitlements to an Advisor position to appoint an additional Assistant to Executive Director in place of an Advisor. The Committee on Executive Board Administrative Matters had been asked to review the possibility of such changes and to make its recommendations to the Executive Board.

Mr. Leimone, Mr. de Maulde, Mr. Buira, Mr. Zhang, and Mr. Finaish commented that they could accept the proposal for greater flexibility in the staffing of Executive Directors' offices.

Mr. Kharmawan said that he had no strong feeling on the proposal. However, as he understood it, no one in the World Bank had made use of the additional flexibility because implementing the sorts of changes allowed under the provision was awkward or impractical. He wondered whether it was necessary to follow the Bank procedure and offer a privilege that few would make use of; it might be better to suggest that the World Bank change its procedure to comply with that of the Fund.

The staff representative from the Administration Department recalled that some Fund Executive Directors had indicated a desire for flexibility in the staffing of their offices. In particular, there had been some interest in the possibility of upgrading between clerical assistants and secretarial assistants. It was for that reason that the paper had been presented to the Committee.

Mr. Taylor considered that there was a case for having somewhat more flexibility than at present. There might be Executive Directors who found it unnecessary to exercise the flexibility, and they need not do so; but there were others who might wish, for example, to take advantage of the opportunity to appoint an additional Assistant in place of an Advisor.

The Chairman indicated that there was a consensus among Committee members in favor of the proposal. A draft decision on the matter would be transmitted to the Executive Board for approval on a lapse-of-time basis.

3. SECRETARIAL ASSISTANTS

The members of the Committee considered a memorandum from Mr. Laske dealing with the promotion of two secretarial assistants to Range F (EB/CAM/81/45, 12/4/81).

Mr. Laske noted that he faced a somewhat special situation in his office. He had two secretaries of similar age and almost identical years of service in his office, and there had never been any distinction made between the two with respect to their seniority. While both had been eligible for some time for promotion from Range E to Range F, he had refrained from requesting such a promotion for only one of them—which was what the rules allowed—in order to avoid unfair and unjustified discrimination. He was now requesting an exception to the December 13, 1978 decision allowing only one secretarial assistant in Range F; his only alternative was to promote neither.

Mr. Nana-Sinkam stated that, based on the explanation given by Mr. Laske in his memorandum, he had no objection to allowing him to promote both assistants to the F range.

Mr. Kafka said that he also could approve the request as a way of allowing Mr. Laske to extricate himself from a difficult situation.

Mr. Leimone commented that he too could go along with Mr. Laske's request, although he wondered whether there was any way to prevent the setting of a precedent for other requests.

Mr. Buira said that he had no objection to Mr. Laske's request. He was uncertain whether the Committee's agreement to the request should not be taken as a precedent for similar cases in which well-qualified individuals had long service in the Fund and might suffer from some disincentive if there were no further promotion possibilities.

Mr. de Maulde considered that Mr. Laske's request was one that could be agreed to without fear of eroding the existing rule.

Mr. Finaish remarked that he too had no objection to Mr. Laske's request. While he agreed that approval of the request may not be considered as a precedent for a general relaxation of the rules, he considered that the door should not be closed to Directors who might wish to bring a similar case before the Committee.

Mr. Caranicas said that he could support Mr. Laske's request. In his view, the Committee decision would be creating a precedent if there were similar cases in the future, but he was not worried about such a precedent.

The Deputy Director from the Administration Department, responding to a question from Mr. Kharmawan, observed that the existing rules allowed only one F range position for each Executive Director's office. However, as with any rule, exceptions could be made or the rule could be changed.

Mr. Zhang inquired whether, under the proposed new flexibility, he would be allowed to request that both his secretarial assistants be classified at the F level.

The Deputy Director from the Administration Department replied that the existing rules would allow the promotion of one secretarial assistant to F level. If the intention was to upgrade a secretarial assistant position to F level, the candidate would have to be qualified for, and take on the responsibilities of, an Assistant to Executive Director. It was not possible under the rules--unless an exception were made--to have two secretarial assistants at F level in one Executive Director's office.

Mr. Leimone said that he could accede to Mr. Laske's request only on the understanding that an exception to the rules was being granted; he would not wish the decision to be viewed as a precedent for any future requests.

The Committee took note of Mr. Leimone's remarks.

The Chairman indicated that there appeared to be a consensus for agreeing to Mr. Laske's request, which would be transmitted to the Executive Board with the Committee's recommendation that it be approved.

The Committee accepted the Chairman's understanding of the consensus of the meeting.

The Chairman observed that, as a consequence of the recommendation of the Committee on Administrative Policies to abolish steps in salary ranges A-I, the staff was preparing a paper on guidelines for starting salaries for Assistants to Executive Directors and a system for merit increments for staff in Executive Directors' offices. Once that paper was completed, it would be circulated to Committee members together with a proposed date for discussion.

There had also been a request from an Executive Director for travel for one of his secretarial assistants to the Helsinki Meeting of the Interim Committee, the Chairman continued. He presumed that the matter could be handled on a lapse-of-time basis in the same way that such requests had been handled for the meetings in Libreville in 1981.

The Committee on Executive Board Administrative Matters then concluded its discussion and adjourned at 4:35 p.m.

APPROVED: May 28, 1982