

CONFIDENTIAL

COMMITTEE ON EXECUTIVE BOARD ADMINISTRATIVE MATTERS

Meeting 82/3
August 17, 1982

J. de Groote, Acting Chairman

Executive Directors

B. de Maulde
R. D. Erb

A. Kafka

Alternate Executive Directors

M. A. Senior

T. Alhaimus

A. B. Diao, Temporary
Wang E., Temporary

A. Wright, Secretary
J. A. Kay, Assistant

Also Present

M. Abdollahi

C. Taylor
T. Yamashita
D. I. S. Shaw, Temporary

B. Kharmawan

F. Sangare

G. Laske
G. Lovato

A. S. Jayawardena
S. El-Khoury, Temporary

J. J. Polak
A. R. G. Prowse

B. Legarda
L. Vidvei

Administration Department: C. Ahl, T. Cole, A. D. Goltz,
J. D. Huddleston. Legal Department: R. S. Porras. Secretary's
Department: B. Hughes, M. J. Papin. Advisors to Executive
Directors: S. R. Abiad, S. E. Conrado. Assistants to Executive
Directors: L. E. J. Coene, J. A. K. Munthali,
J. R. Novaes de Almeida, J. C. Williams.

1. ADVISORS TO EXECUTIVE DIRECTORS - REMUNERATION

The Committee members took up a staff paper on the remuneration of
Advisors to Executive Directors (EB/CAM/82/17, 8/4/82).

The Acting Chairman explained that the paper contained on page 2 four possible ways of remunerating Advisors to Executive Directors. The staff had shown (page 1) that for the past three years the remuneration of Advisors, including supplemental allowance, had been fixed at 83.7 per cent of that of Alternate Executive Directors. If it were decided to maintain the same ratio, Committee members would choose option (1) on page 2, thereby agreeing to total remuneration for Advisors of \$53,810 per year. The Committee on Directors' Administrative Matters (CODAM) of the World Bank had discussed the same topic on August 12 and, subject to parallel action by the present Committee, had selected option (1). Advisors to Executive Directors had received the same remuneration in the Fund and the World Bank for several years. It would be most desirable to reach a decision on the matter at the present meeting because the effective date for the adjustment of Advisors' remuneration was July 1, 1982. If the Committee members agreed to act in the same way as members of the CODAM, he would send a report and draft decision to the Executive Board for adoption on a lapse-of-time basis. If they chose another course, he would have to be in touch with the Chairman of the CODAM.

Mr. de Maulde, Mr. Erb, Mr. Kafka, Mr. Senior, and Mr. Wang all said that they favored option (1).

Mr. Alhaimus indicated that, while his initial preference was for option (3), he went along with the majority of the Committee so as to help expedite a decision on the matter at hand.

Mr. Diao, speaking for Mr. Nana-Sinkam, remarked that his office was interested in comparing the salary of a Division Chief from the Fund with that of an Advisor. In addition he would be interested in knowing what the impact on a staff member's career was likely to be if he were to take up the position of an Advisor or as Assistant to an Executive Director for a period of, say, four or five years.

The staff representative from the Administration Department replied that there had been a recent case of a staff member taking up the position of Advisor to an Executive Director. The staff member had resigned from the Fund staff as required by the rules, but had received assurances of re-employment before leaving the employment of the Fund for the office of an Executive Director. In such circumstances, the individual would normally return to employment in the Fund at the level he had occupied on his departure, with his salary being adjusted by merit increases forgone.

In response to another question, the staff representative from the Administration Department stated that Division Chiefs' salaries were currently in the range \$50,600 to \$70,240.

Mr. Diao commented that the staff member should be better remunerated and promoted on return to the Fund staff in view of the additional experience that he had gained from working in an Executive Director's office.

The Committee members unanimously agreed to adopt option (1), setting the remuneration of Advisors to Executive Directors at \$53,810, the same figure as that adopted by the World Bank, and invited the Chairman to submit a report and draft decision to the Executive Board for adoption on a lapse-of-time basis.

2. ADVISORS TO EXECUTIVE DIRECTORS - DIFFERENTIATION IN SALARIES

The Committee members took up a paper on possible differentiation in salaries for Advisors to Executive Directors (EB/CAM/82/18, 8/4/82).

The Acting Chairman proposed that, in view of the complexity of the proposals, the Committee should postpone their consideration until after the forthcoming Annual Meeting.

The Committee members accepted the proposal by the Acting Chairman.

3. REPRESENTATION EXPENSES

The Committee members took up a paper on representation expenses (EB/CAM/82/21, 8/10/82).

The Acting Chairman explained that the paper, which had been circulated by the Committee Chairman, suggested that the allowance cost per person for expenses incurred at the time of Interim Committee meetings in Washington not held in conjunction with the Annual Meetings should be raised from \$30 to \$40, thus bringing it to the level already applied in Sections 5(a) and (b) on pages 14-16 of Part IV of the Handbook on Executive Board Administrative Matters. The Chairman had also proposed broadening the events to which representation expenses could be applied by deleting the words "luncheon, cocktail receptions, or dinner taking place" and substituting the words "occasion on which Executive Directors" in Sections 5(a), (b), and (c) of the Handbook.

Mr. Alhaimus, Mr. Diao, Mr. Kafka, Mr. Senior, and Mr. Wang indicated that they could support the Committee Chairman's proposal.

Mr. Erb stated that, while he would agree to raising the \$30 per head allowance in Section 5(c) to \$40 per head, he would have difficulty with the open-ended nature of the events for which the representation allowance could be used if the Chairman's proposal was adopted. He would not mind extending the existing arrangement to cover breakfast.

Mr. de Maulde explained that in France the use of a representation allowance was permitted, provided that the entertainment consisted essentially of a meal. In passing, he inquired why, under Section 5(b), it was permissible to claim representation allowance for entertaining an academic but not the president of a commercial bank. He would revert to the matter on another occasion.

Mr. Kharmawan, Mr. Vidvei, Mr. Lovato, Mr. Prowse, Mr. Taylor, Mr. Polak, Mr. Jayawardena, and Mr. Sangare supported Mr. Erb.

The Acting Chairman remarked that by introducing the notion of a meal it was important not to exclude some items already covered, such as coffee and a drink. The term "meal" should be understood to mean that the entertainment must include food and drink.

Mr. Kafka then suggested wording such as "entertain at meals" might be used on the understanding that that would cover cocktail receptions and other occasions on which some food was served.

Mr. Vidvei considered that Mr. Kafka's suggestion would cover, e.g., cabaret, which would be going too far.

Mr. Kafka explained that the expenditure ceiling would certainly preclude cabaret, whether inside or outside Washington.

Whereupon, the Committee members:

- (i) approved the proposal to raise the figure of \$30 per person to \$40 per person in Section 5(c) of the Handbook; and
- (ii) agreed that wording on the lines suggested by Mr. Kafka should be inserted in Sections 5(a), 5(b), and 5(c) of the Handbook.

They invited the Acting Chairman to prepare an appropriate report and draft decision for transmittal to the Executive Board.

The Committee adjourned at 4:30 p.m.

APPROVED: November 4, 1982