

**IMMEDIATE  
ATTENTION**

EBAP/10/126

December 30, 2010

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Categories of Employment Framework—Proposed Exception for the Externally Financed Appointee Program**

Attached for consideration by the Executive Directors is a paper on a proposed exception under the Categories of Employment Framework for the Externally Financed Appointee Program. A proposed decision appears on page 7.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **noon on Friday, January 14, 2011**. In the absence of such a request, the draft decision that appears on page 7 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting.

It is intended that this paper will be published on the Fund's external website after noon on **Monday, January 24, 2011**.

Questions may be referred to Ms. Mendis, HRD (ext. 38333).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:  
Department Heads



INTERNATIONAL MONETARY FUND

**Categories of Employment Framework (COE)—Proposed Exception for the Externally  
Financed Appointee Program (EFA)**

Prepared by the Human Resources Department  
In consultation with the Legal Department

Approved by Shirley Siegel

December 27, 2010

Contents	Page
Executive Summary .....	2
I. Externally Financed Appointee Program (EFA).....	3
II. Current Categories of Employment Policy Framework.....	5
III. Summary and Recommendations .....	5
Box	
1. Externally Financed Appointees (EFA): Program Summary .....	3
Table	
1. Comparison between EFA and SAP .....	4

## EXECUTIVE SUMMARY

This paper seeks the approval of the Executive Board to delegate authority to management to grant an exception under the Fund's Categories of Employment (COE) Framework. The proposed exception will allow contractual employees appointed under the new Externally Financed Appointees (EFA) program to be assigned to core Fund activities<sup>1</sup> where it is in the interest of the institution.

Under the existing provisions of the COE (approved by the Board in 1989), contractual appointees cannot be assigned to core Fund activities normally carried out by staff, except under certain specific circumstances. Management has the authority to grant exceptions for such special circumstances on a case-by-case basis, but an *ex ante* exception for a group of contractual employees, such as those to be hired under the EFA, would, therefore, go beyond the current authority of management, and require Board approval.

The delegation of approval authority to management to grant an exception for the contractual engagement of such EFAs is consistent with the objectives of the COE framework, and will permit the EFA appointees to be exposed to the full range of Fund work, strengthening engagement with the Fund's membership through building capacity of member country officials.

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<sup>1</sup> For purposes of the requested EFA exception, in particular, operational work assignments to surveillance and UFR country work are considered to be "core Fund activities."

## I. EXTERNALLY FINANCED APPOINTEE PROGRAM (EFA)

1. Management has recently approved a new EFA program to accommodate the growing interest from member countries to have some of their nationals come and work at the Fund for a period of time in order to gain experience and develop their skills, with the cost financed by the member countries. The main features of the EFA program are summarized in Box 1.

### **Box 1. Externally Financed Appointees (EFA): Program Summary**

*The objective of the EFA program is to strengthen engagement with the Fund's membership and build capacity of member country officials by permitting externally financed officials from country authorities to work at the Fund. Highlights of the program are summarized below.*

#### **A. Employment Framework**

- EFAs will be appointed on a contractual basis, in order to mitigate conflict of interest concerns that would arise if staff appointments are offered. The initial contract would be for a term of 6–24 months renewable up to the four-year cumulative limit for Fund contractual employees.
- Initially, the EFA will not exceed 30 contracts (appointments) at any one time.
- EFAs will be appointed at “shadow grades” that are equivalent to A-level positions, where supervision can be provided by experienced senior staff.
- The work areas of EFAs can cover all Fund activities (including surveillance, program and TA work), to provide appointees a full exposure to the broad range of Fund work.
- Engagement with the participating donor countries authorities will be guided by the Terms of Reference/Letter of Understanding.

#### **B. Selection**

- Selection would be through the Fund's competitive selection process, with member governments nominating typically more than one qualified candidate.
- The Fund will interview the candidates, select those suitable for hire, and determine the appropriate level and placement in consultation with the authorities/donors.

#### **C. Financing**

- Funding will be channeled through a Topical Trust Fund (TTF) to be approved separately by the Executive Board. The TTF will pool the resources of multiple donors, in order to mitigate conflict of interest concerns that would otherwise arise from external financing of Fund employees.
- Donors would be expected to make a financial contribution toward the EFA program based on the cost of a position. It is expected that the resources within the TTF could permit the Fund to consider their nationals and other nationals of Fund members, if they wish. Member countries/donors will be charged the full funding for each EFA for the duration of the assignment, which will cover salary, benefits, training, and program management.

2. The EFA program complements the existing Special Appointee Program (SAP). Both programs provide scope for the temporary engagement of nationals/officials of member countries by the Fund. The EFA provides greater scope to hire these member country officials for a typically longer duration than the one-year SAP, and at higher levels of relative seniority (within the equivalent A-level “shadow” grades). The SAP on the other hand, is financed by the Fund for government officials from low income countries for a shorter contract duration at more junior levels (see Table 1).

3. It is envisaged that in addition to technical assistance work assignments, EFA appointees could also be assigned tasks including Fund core activities, in order to broaden their exposure to Fund operational work. However, EFA appointees will not be permitted to work on their own country and will be supervised by experienced Fund senior staff.

Table 1. Comparison between EFA and SAP

<b>EFA</b>	<b>SAP</b>
<ul style="list-style-type: none"> <li>• Appointment of member country government officials into Fund departments, financed by the authorities.</li> </ul>	<ul style="list-style-type: none"> <li>• Appointment of member country government officials into Fund departments, financed by the Fund.</li> </ul>
<ul style="list-style-type: none"> <li>• Contractual appointment, initially for six months to two years, renewable up to four years.</li> </ul>	<ul style="list-style-type: none"> <li>• Contractual appointment for normally a one-year duration.</li> </ul>
<ul style="list-style-type: none"> <li>• Appointments at the equivalent of “shadow” A-level grades only.</li> </ul>	<ul style="list-style-type: none"> <li>• Appointments typically limited to junior level officials (“shadow” A11–A12).</li> </ul>
<ul style="list-style-type: none"> <li>• Competitive Fund selection process; placement by the Fund (hiring department).</li> </ul>	<ul style="list-style-type: none"> <li>• Candidate nominated by the authorities and placement by authorities’ preference.</li> </ul>

## II. CURRENT CATEGORIES OF EMPLOYMENT POLICY FRAMEWORK

4. The Fund's Categories of Employment Framework (COE) was first approved by the Executive Board in 1989<sup>2</sup> (EBAP/89/101). The employment guidelines contained in the COE set out the parameters for determining when an activity is to be performed by staff, contractual employees, or vendor personnel. The employment guidelines provide *inter alia* as follows:

**Contractual appointments and vendor contracts:** "All other positions which do not fit within the guidelines for staff appointments, but which are required to perform services needed for the efficient operation of the Fund, or to meet work load requirements of a temporary or uncertain duration, may be filled by contractual appointees or vendor personnel if this is more economical or efficient than employing staff. *Contractual appointees and vendor personnel **should not perform the same tasks as staff members**, unless they are retained for temporary, limited-term, or peak work period assignments, or unless a determination has been made by the hiring department, in consultation with the Administration Department, that individual circumstances warrant an exception.*" (emphasis added)

- In the professional context, staff functions that normally may not be carried out by contractuels are those that are related to the core mission of the Fund and would include, *inter alia*, positions directly involved in consultation, negotiation or other official contacts with member countries (in particular, surveillance and program work, as opposed to technical assistance and other capacity building activities), and positions which perform other key ongoing functions essential to the basic operation of the Fund. While the guidelines allow contractual employees to carry out such functions on a temporary basis—for example, during peak work periods or for projects of limited duration—contractual functions should, otherwise, be confined to non-core activities.

5. Management does have authority to grant exceptions under the COE policy, but that authority extends only to individual exceptions, assessed on a case-by-case basis. Given the objectives of the program, it is important that EFAs be given the full experience of Fund work in order to build the capacity of the appointees. In order to allow EFAs to be engaged as envisaged under the proposed framework, it is proposed that the Executive Board grant Management the authority to provide the required exception for the new program as a whole.

## III. SUMMARY AND RECOMMENDATIONS

6. Given the program nature of the EFA and the need to grant an *ex ante* exception to all EFA participants, permitting EFAs to be assigned to core Fund activities (e.g., surveillance and

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<sup>2</sup> The Fund's Categories of Employment Framework is set out in EBAP/89/101 dated 4/13/89 and further revised in EBAP/98/137 dated 12/4/98. EBAP/89/101 contained the Employment Guidelines.

UFR work), requires a group exception which exceeds management's authority to grant individual exceptions.

7. Management, therefore, seeks delegated authority from the Board to enable it to grant a blanket exception, under the COE, and to permit contractual employees in the EFA to be assigned to core Fund activities, where it serves the best interests of the institution.

8. Upon approval of the delegated authority, the next step will be to set up the Topical Trust Fund (TTF) and legal instruments (letters of understanding, program documents) required for the implementation of the EFA program. A separate staff paper proposing the TTF will be submitted to the Executive Board in the near future.



#### **IV. PROPOSED DECISION**

The following decision, which may be adopted by a majority of the votes cast, is proposed for adoption by the Executive Board:

The Managing Director is, hereby, authorized to grant a blanket exception to the Categories of Employment framework, as specified in EBAP/89/101, as amended, to permit contractual employees appointed under the Externally Financed Appointee Program to be assigned to core Fund activities where it serves the interest of the Fund as set out in EBAP/10/126.