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July 20, 1983

To: Members of the Committee on Executive Board
Administrative Matters

From: The Committee Secretary

Subject: Representation Expenses at Time of 1983
Annual Meeting

The attached paper is being circulated to members of the Committee at the request of the Chairman.

It will be placed on the agenda of a meeting of the Committee scheduled on a date to be determined.

Att: (1)

Other Distribution:
Members of the Executive Board



July 20, 1983

Representation Expenses at Time of 1983 Annual Meeting

The following information, compiled by the staff, is submitted as background material for the Committee's discussion of the above-mentioned topic.

Since 1969, the Executive Directors have reviewed yearly the representation expenses in connection with the Annual Meeting. The resultant formulas through 1982 are contained in Attachment I. The following formula was approved by the Executive Directors for the last Annual Meeting held in Washington in 1981 (EBAP/81/245, 8/7/81):

"expenses actually incurred by an Executive Director, his Alternate or Advisor, at the 1981 Annual Meeting of the Board of Governors for the entertainment of senior officials who come to attend the Annual Meeting from any member country that appointed, elected or designated the Executive Director, up to a maximum for each Executive Director, his Alternate and Advisor, together, whichever shall be the greater of: either \$160 for each of those member countries, or \$740, plus \$52 for each of those member countries. If an Executive Director who serves both in the Fund and in the Bank receives from the Bank any amount of reimbursement for the expenses of such entertainment, the above-mentioned maximum would be reduced by the same amount with respect to the reimbursement the Executive Director could claim from the Fund."

A comparison of average prices in 1983 for typical luncheons and cocktail receptions at the Sheraton Washington and Shoreham, with an average of current prices at those two hotels, where most entertainment outside the Fund building will occur during the 1983 Annual Meeting, is given in the following table:

	<u>Sheraton/Shoreham</u> <u>Average 1/</u>		<u>% Increase</u>
	<u>1981</u>	<u>1983</u>	
<u>Luncheon</u>			
Double Breast of Chicken	\$17.50	\$20.65	18%
Filet of Sole	16.00	18.75	17%
Escallopine of Veal	24.50	25.50	4%
Double French Lamb Chops	24.50	25.50	4%
Filet Mignon - 6 oz.	21.50	23.25	8%
Filet Mignon - 9 oz.	27.50	30.65	11%
<u>Hors d'Oeuvres Reception</u>	11.20 - 17.55	14.00 - 20.00	13%

1/ Price includes French service.

Dinner menus are usually about \$5.00 higher than similar luncheon menus. In addition to the food items, the full cost would, of course, include other charges, e.g., cocktails, mixes, beer, and non-alcoholic beverages, which have increased by about 15 per cent since 1981. Gratuities remain at 16 per cent and 17 per cent, for the Sheraton Washington and Shoreham Hotels.

In the Fund's private dining rooms the cost per person for lunch varies from \$10.00-\$15.00; the food subsidy, or representation adjustment, increased to \$8.00 per person in 1983. This brings the average representation cost of an official luncheon including wine, to about \$20.50 per person, which is an increase of 26 per cent since 1981. Receptions held at the Fund are \$9.00-\$12.00 per person (20 per cent increase); the charge is all inclusive, except for official liquor, and there is no separate representation adjustment. (The average charge for official functions in the Bank is \$13.50 for lunch and \$8.50-\$11.00 for receptions including beverages.)

The Washington Consumer Price Index (CPI(u)) showed an increase in the cost of food served away from home of 1.8 per cent from May 1981 to May 1982 and 5.8 per cent from May 1982 to May 1983.

For the 1983 Annual Meeting, the Committee may wish to consider recommending a formula based, as in previous years, on the increase in the CPI for food away from home. In view of the increase of approximately 8.0 per cent in the cost of food away from home in the period May 1981 to May 1983, the allowances might be raised to \$173 for each of the member countries, or \$800, plus \$56 for each of those member countries.

Attachment

EXECUTIVE DIRECTORS' REPRESENTATION ALLOWANCES
FOR ANNUAL MEETINGS

<u>CY</u>	<u>Location of Meeting</u>	<u>Allowance Formula</u>			<u>Allowance for Each Member Country</u>
		<u>Allowance for Each Member Country</u>	<u>or Lump Sum</u>	<u>plus</u>	
1969 <u>1/</u>	Washington	\$zero	\$400		\$25
1970	Copenhagen		No change		
1971	Washington		No change		
1972	Washington	\$ 75	\$400		\$25
1973	Nairobi		No change		
1974 <u>2/</u>	Washington		No change		
1975 <u>3/</u>	Washington	\$100	\$535		\$33
1976	Manila		No change		
1977 <u>4/</u>	Washington	\$110	\$600		\$35
1978 <u>5/</u>	Washington	\$125	\$600		\$40
1979 <u>6/</u>	Belgrade	\$190	\$900		\$60
1980 <u>7/</u>	Washington	\$150	\$710		\$50
1981 <u>8/</u>	Washington	\$160	\$740		\$52
1982	Toronto		No change		

- 1/ First year in which there was a special allowance for the Annual Meetings.
2/ 1975 formula was proposed to CAM but not approved.
3/ Increase of one-third based on Washington CPI for food away from home which increased by 34% (May 1972 to May 1975).
4/ Increase of Washington CPI (14%) and CPI for food away from home (18%) from May 1975 to 1977.
5/ Increase of Washington CPI for food away from home (5.7%) from May 1977 to 1978.
6/ Formula approved only for the 1979 Annual Meeting in Belgrade.
7/ Increase of Washington CPI for food away from home (18.35%) from May 1978 to May 1980.
8/ Increase of Washington CPI for food away from home (3.9%) from May 1980 to May 1981.

