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To: Members of the Executive Board
From: The Secretary
Subject: Staff Secondments from and Assignments to Member Countries

As background for the discussion of the proposed Administrative and Capital Budgets for FY 1991 (EBAP/90/80, 4/1/90), scheduled for discussion on April 23, 1990, there is attached for the information of Executive Directors a paper on staff secondments from and assignments to member countries.

Mr. Swain (ext. 6565) is available to answer any factual questions relating to this paper.

Att: (1)

Other Distribution:
Department

INTERNATIONAL MONETARY FUND

Staff Secondments from and Assignments to Member Countries

Prepared by the Administration Department

April 10, 1990

I. Introduction

At Executive Board Meeting 89/69 (June 2, 1989), Executive Directors discussed the different categories of employment relationship utilized by the Fund. During the meeting, several Executive Directors expressed interest in obtaining more detailed information regarding the category of staff seconded from member government institutions, typically to serve for a period of two or three years on the Fund staff. A number of Directors also expressed interest in the arrangement whereby Fund staff members are seconded to member government institutions under the Fund's External Assignments Program. As background for the discussion on the FY 1991 Administrative and Capital Budgets, this paper provides information on staff recruited on a secondment basis from member government institutions and how such recruits fit into the Fund's overall staffing arrangements. Information is also provided on Fund staff assignments to member country institutions under the External Assignments Program.

II. Background

Historically, the Fund recruited the large majority of its staff on regular appointments. These are appointments of indefinite duration (subject only to a one-year probation period) which in many cases lead to career employment. However, there were always a small number of staff, mainly economists, who were hired from member government institutions on a secondment basis typically to spend two or three years on the Fund staff. These individuals brought with them relevant and useful professional experience and, in turn, were able to take back with them at the end of their assignments a knowledge of Fund policies and procedures. Traditionally, central banks and finance ministries have represented the most important source of secondees because they have been able to provide suitably experienced personnel. At the same time, secondment arrangements have allowed the Fund to draw upon some of the most talented individuals in member government institutions precisely because of the firm commitment that they would return to their parent institution after their two- or three-year assignment with the Fund. In the early days of the Fund such a commitment was critical because of the general shortage of experienced personnel in industrial and developing countries alike. At present, the commitment to return is often, though not always, of particular importance to many developing countries where the supply of highly trained and experienced personnel may be very limited.

In response to recommendations made by the Joint Committee on Staff Compensation Issues in 1979, efforts have been made over the past decade to increase the number of staff hired on fixed-term appointments. Besides making it possible to draw upon highly experienced candidates, and to provide a flow of new ideas and fresh perspectives to the organization, it was felt that a wider use of fixed-term appointments would also facilitate a broadening of the nationality distribution of staff. As a result, between 1979 and 1984, the number of fixed-term appointees on the Fund staff quadrupled from 7 to 27. It was during this period that the practice also developed of making all external appointments to senior staff positions initially on a fixed-term basis of between three and five years. This was implemented in order to provide the institution with a greater degree of flexibility in the assignment of its senior staff. Following the practice adopted for senior staff and the successful experience with the two-year Economist Program, and recognizing that the one-year probationary period attached to regular appointments did not always provide adequate time to test an individual's suitability for long-term employment, a policy was introduced in the mid-1980s whereby all staff in Grades A9 and above are recruited initially on fixed-term appointments.

III. Convertible and Non-convertible Fixed-Term Appointments

At present, all staff at Grades A9 and above are recruited on fixed-term appointments normally of two or three years' duration which, at the time the appointments are made, are specified as either convertible or non-convertible. A convertible fixed-term appointment is probationary in nature, inasmuch as it carries with it an explicit understanding that if the staff member's performance fully and consistently meets the required standards, it will be converted to regular status. Over the past five years, approximately 85-90 percent of those on convertible fixed-term appointments were offered positions on the regular staff at the end of their term. The concept of a non-convertible fixed-term appointment corresponds to the term appointments prior to the mid-1980s in that it typically involves the secondment of an official from a member government institution ^{1/} and, irrespective of performance, carries no expectation of conversion to regular status.

IV. Composition of Staff

As a result of the demand for continuity on most country and functional activities, the staffing requirements of the Fund are met largely by career staff. This, in turn, establishes a limit on the proportion of non-convertible fixed-term appointees that can be retained at any one time. At present, there are 51 staff in Grades A9 and above on non-convertible fixed-term appointments representing approximately 5 percent of total staff in Grades A9 and above and 7 percent of economist

^{1/} The Fund also recruits a number of individuals each year, including EP participants, from member government institutions on convertible fixed-term appointments.

staff. Because they normally remain on the staff only two or three years, however, secondees from member government institutions represent a much higher proportion of total recruitment. As shown in the following table, over the past decade non-convertible fixed-term recruits have accounted for approximately 20 percent of total appointments. At the same time, the Fund also aims to achieve a reasonable balance between those who join the institution at or near the start of their career and those who join at a later stage, often in mid-career, after gaining experience elsewhere. Therefore, while approximately two-thirds of recruits fall into the latter category, one-third of total appointments at Grades A9 and above have been to the Economist Program (EP). The ratio of EP appointments, which represent the bulk of entry level recruits, has remained fairly constant over time, with the slight declines in the 1988-89 period attributable to an increase in the total number of appointments required in these years.

Some additional data on non-convertible appointments are shown in Attachment I. Nearly two-thirds of the non-convertible fixed-term appointees have joined the Fund on secondment from central banks, approximately one-quarter from finance ministries, and the remainder from other public sector institutions. On average, appointees have ten years of prior work experience when they come to the Fund. Over the past decade, 65 percent of the non-convertible appointees were nationals of industrial countries and 35 percent were nationals of developing countries. In 1989, non-convertible appointees from developing countries for the first time outnumbered those from industrial countries. In an attempt to broaden sources of candidates, recruitment efforts have been intensified in recent years. Over the past five years, recruitment visits have been made to 37 different countries (Attachment II).

Recruitment at Grades A9 and Above by Appointment Type: 1980-89

Appt. Type	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	Total
Reg. and convertible fixed-term	42	51	57	58	58	43	47	53	73	64	546
[of which: Econ. Program (EP)]	(16)	(19)	(21)	(24)	(24)	(20)	(21)	(22)	(23)	(20)	(210)
Non- convertible fixed-term	<u>9</u>	<u>16</u>	<u>16</u>	<u>14</u>	<u>9</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>17</u>	<u>137</u>
Total	51	67	73	72	67	57	60	67	88	81	683
Non-convertible as percentage of total appointments	18	24	22	19	13	25	22	21	17	21	20

V. The External Assignments Program

Around the same time that a decision was taken to increase the number of fixed-term appointments, the Executive Board also approved the establishment of an External Assignments Program. ^{1/} This Program, which is aimed particularly at individuals who had little or no work experience prior to joining the Fund, provides an opportunity for a limited number of regular staff members at Grades A9 and above to take up temporary assignments in government agencies or other international organizations whose activities complement those of the Fund. The objective of the Program is to allow staff members to gain experience which is deemed of value to the Fund but which normally could not be acquired within the institution. Of equal importance, the Program also makes it possible for member government institutions and other international organizations to benefit from the skills and experience possessed by Fund staff.

Staff members approved by management for participation in the Program are granted leave without pay in the interest of the Fund for a period of up to two years. They are paid by the receiving institution, but are eligible for certain benefits paid by the Fund, including economy class travel for the staff member and accompanying family, limited shipment and/or storage of household effects, and a salary advance. In addition, they may continue to participate in the Staff Retirement, Group Life Insurance, and Medical Benefits Plans provided that they maintain their contributions to these Plans. Participants are expected to serve in the Fund for a period of at least three years following their return from such assignments.

Initially, the Program was subject to a ceiling of no more than five participants at any one time. The ceiling was viewed as a useful control device to monitor the Program during its early years of operation, but several Executive Directors stressed that the Fund should, if necessary, be prepared to raise the ceiling. In the event, the Program has proven to be a very useful developmental experience which has been of mutual benefit to all parties concerned. Indeed, member government and staff interest in the Program grew to the point where, in 1987, the Committee on Administrative Policies recommended and the Board approved an increase in the ceiling from five to ten participants on leave at any one time (EB/CAP/87/2, 6/3/87).

Since the External Assignments Program was established there have been 28 participants, of whom 24 were from Grades A9-A15 and four were from Grades B1 and above. The majority of participants have been economists (25), although one computer systems officer, one lawyer, and one personnel officer have also participated (Attachment III). The nationality distribution of participants has been quite diverse with two African nationals, nine Asian nationals, 11 European nationals, two Middle Eastern nationals, and four Western Hemisphere nationals.

^{1/} See EBAP/81/264, Supplement 1, 8/6/81.

Although not formally under the External Assignments Program, 11 Fund staff members have been loaned to the World Bank since 1985 for periods of up to two years; these staff members included 10 economists (of whom three were in the B Grades), and one Research Officer. A number of these assignments were organized under simplified administrative procedures whereby the staff member remains on the Fund's payroll but the total cost of their assignments was reimbursed by the World Bank.

Attachments (3)

Non-Convertible Fixed-Term Appointments (A9 and Above)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	Total
<u>Nationality Distribution</u>											
<u>Industrial</u>											
<u>Countries 1/</u>	<u>7</u>	<u>9</u>	<u>12</u>	<u>9</u>	<u>5</u>	<u>9</u>	<u>8</u>	<u>12</u>	<u>10</u>	<u>7</u>	<u>88</u>
United States	-	2	3	2	-	-	-	1	-	-	8
France	-	-	-	-	-	1	2	-	1	2	6
Germany	1	1	-	2	1	1	-	1	-	-	7
Japan	1	2	4	1	2	3	1	4	4	1	23
United Kingdom	2	2	2	1	1	1	2	1	1	2	15
Other	3	2	3	3	1	3	3	5	4	2	29
<u>Developing</u>											
<u>Countries 1/</u>	<u>2</u>	<u>7</u>	<u>4</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>5</u>	<u>10</u>	<u>49</u>
Africa	-	5	1	2	1	3	-	1	1	3	17
Asia	-	-	2	-	1	-	2	1	1	1	8
Europe	1	-	-	-	1	2	2	-	1	-	7
Middle East	-	-	-	-	-	-	-	-	1	4	5
Western Hemisphere	1	2	1	3	1	-	1	-	1	2	12
<u>Total</u>	<u>9</u>	<u>16</u>	<u>16</u>	<u>14</u>	<u>9</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>17</u>	<u>137</u>
<u>Sources of Recruitment</u>											
Central Bank	4	10	8	7	5	10	6	8	9	12	79
Ministry of Finance	4	4	4	1	2	4	3	4	3	4	33
Other Public Sector	1	2	4	6	2	-	4	2	3	1	25
<u>Average Years of Prior Work Experience</u>											
	10	11	8	10	8	10	12	9	12	9	10

1/ Countries grouped according to International Financial Statistics classification of industrial and developing countries.

Countries Receiving Recruitment Visits Since January 1, 1985

Africa

Algeria
Cameroon
Cote d'Ivoire
Guinea
Kenya
Morocco
Nigeria
Senegal
Tunisia
Zaire

Europe (cont'd)

France
Germany
Hungary
Italy
Norway
Portugal
Spain
Sweden
United Kingdom

Asia

Indonesia
Japan
Malaysia
Singapore
Thailand

Middle East

Egypt
Jordan
Kuwait

Europe

Austria
Belgium
Denmark
Finland

Western Hemisphere

Brazil
Canada
Colombia
Guatemala
Mexico
Venezuela

Participation in External Assignments Program--1980 - To Date

Receiving Organization	Staff Member's Title	Assignment Dates
<u>Central Bank</u>		
Reserve Bank of India	Senior Economist	09/81-09/82
Reserve Bank of India	Assistant Director	11/86-11/87
Monetary Authority of Singapore	Computer Systems Officer	05/82-05/84
Monetary Authority of Singapore	Economist	08/88-08/90
Bank of Japan	Economist	04/87-04/89
Bank of Japan	Economist	11/89-10/91
Central Bank of Turkey	Economist	09/84-09/87
Central Bank of Turkey	Senior Economist	09/87-09/88
Bank of Israel	Economist	09/85-12/86
Bank of Israel	Economist	07/88-07/89
Bank of England	Economist	10/80-10/82
Bank of Greece	Economist	10/84-10/85
Central Bank of Guinea	Economist	05/86-05/89
Central Bank of Ecuador	Economist	09/84-09/86
Central Bank of Trinidad and Tobago	Advisor	05/88-12/89
<u>Government Agency</u>		
German Ministry of Economics	Economist	09/81-09/83
German Ministry of Commerce	Economist	10/89-10/91
Japanese Ministry of Finance	Economist	01/83-01/85
National Commission on Agriculture and Lahore University, Pakistan	Deputy Division Chief	09/87-05/88
Office of the Prime Minister of Egypt	Economist	08/86-07/87
U.S. Aid Mission in Cameroon	Economist	12/88-12/90
<u>International Organization</u>		
OECD	Senior Economist	06/85-05/87
European Commission	Division Chief	03/90-03/92
Bank of International Settlements	Economist	09/87-03/89
African Development Bank	Senior Counselor	06/88-05/90
Asian Development Bank	Assistant Director	03/87-03/89
Asian Development Bank	Senior Personnel Officer	02/90-02/92
<u>Other</u>		
Export-Import Bank of Japan	Economist	05/89-04/91