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March 31, 1989

To: Members of the Executive Board  
From: The Acting Secretary  
Subject: Administrative and Capital Budgets for FY 1990

In accordance with Section J-4 of the Rules and Regulations, and with the Executive Board's decision on the presentation of a capital budget at EBM/86/186 (11/21/86), attached are the proposed Administrative and Capital Budgets for FY 1990. These budgets are scheduled for discussion by the Executive Directors on Monday, April 24, 1989.

Att: (1)

Other Distribution:  
Department Heads



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**FINANCIAL YEAR 1990**

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**ADMINISTRATIVE  
and  
CAPITAL  
BUDGETS**

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**INTERNATIONAL MONETARY FUND**

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ADMINISTRATIVE AND CAPITAL BUDGETS

For Financial Year 1990

International Monetary Fund

Washington, D.C.

March 1989



# ADMINISTRATIVE AND CAPITAL BUDGETS FOR FINANCIAL YEAR 1990

## Contents

	<i>Page</i>
<b>MANAGING DIRECTOR'S STATEMENT</b>	
Introduction .....	1
General Financial Picture .....	1
Work Program in FY 1990 .....	2
Budget Proposals for FY 1990 .....	5
Projection of Administrative and Capital Expenses for the Three-Year Period, FY 1990-1992 .....	11
Reimbursement of Expenses of the SDR Department, the Special Disbursement Account, the Trust Fund, and the Supplementary Financing Facility Subsidy Account .....	12
Draft Decisions .....	13
(i) Relating to the Administrative Budget Estimates for FY 1990 .....	14
(ii) Relating to Capital Budget Projects Beginning in FY 1990 .....	15
(iii) Relating to an Assessment under Article XX, Section 4, in Respect of FY 1989 .....	16
(iv) Relating to a Reimbursement for the Administration of the Structural Adjustment Facility within the Special Disbursement Account and for Conducting the Business of the Enhanced Structural Adjustment Facility Trust, in Respect of FY 1989 .....	17
<b>BUDGET ESTIMATES FOR FY 1990</b>	
<b>Budget by Program</b>	
Summary Tables of Costs and Manpower Utilization by Program .....	21
Notes on Individual Programs and Activities:	
1. Activities of the Board of Governors .....	22
2. Activities of the Executive Board .....	24
3. General Policy Development and Research .....	25
4. Operations and Relations with Member Countries .....	27
5. Special Services to Member Countries .....	30
6. Statistical Services .....	33
7. Information and External Relations .....	36
8. General Support Services .....	40
<b>Budget by Unit of Organization</b>	
Chart of Organization .....	45
Estimated Cost of Each Unit of Organization .....	46
Summary Table of Personnel Ceilings .....	48
Summary Table of Effective Manpower .....	49
Departments, Bureaus, and Offices:	
Estimated Expenses, Personnel Ceilings, Summary of Functions, Selected Work Load Indicators, and Work Program .....	50
<b>Budget by Object of Expense</b>	
Summary Table .....	100
Notes on Expense Categories:	
I. Personnel Expenses .....	101
II. Travel Expenses .....	104
III. Other Administrative Expenses .....	105
<b>Capital Budget</b>	
Review of FY 1988 Capital Budget .....	113
Review of FY 1989 Capital Budget .....	114
FY 1990 Capital Budget Proposal .....	115
<b>Appendices</b>	
I Activities of the Fund—Selected Indicators, 1978-1988 .....	121
II-IV Administrative Budget Expenses, FY 1979-1989 .....	122
V-VI Staff Ceilings by Unit of Organization, FY 1979-1989 .....	126
VII Financial Transactions, FY 1979-1989 .....	128
VIII Income, Expenses, and Reserves, FY 1979-1989 .....	130
<b>Index</b> .....	133



5. The policy adopted over the past few years of carefully managing the growth of administrative expenses will continue in FY 1990. Administrative budget expenses are expected to increase by 1.2 percent in FY 1989 and are projected to decline by 1.3 percent in FY 1990 in the absence of any salary adjustment. As indicated in the memorandum recently submitted by management to the Executive Directors, under the proposal for a new salary structure, an amount equivalent to 7.5 percent of total payroll would be required on a Fund-wide basis in order to bring average salaries into line with the new midpoints of the new salary ranges. Assuming a salary adjustment of this order in FY 1990 (\$11.9 million in salaries and related benefits), total administrative expenses are projected to increase by 3.6 percent in FY 1990. When allowance is made for an

increase in prices, administrative expenses so defined are projected to decrease in real terms by about 1 percent in FY 1990, following a decline of about 3 percent in the previous year.

6. The line item "Administrative Expenses" which appears in reports on the Fund's income and expenses does not take account of reimbursements of expenses for conducting the business of the SDR Department, the Structural Adjustment Facility (SAF) in the Special Disbursement Account or the Enhanced Structural Adjustment Facility (ESAF), details of which can be found in paragraphs 45-49. While the expenses themselves are part of the administrative budget (e.g., personnel and travel costs), their reimbursement is reflected in the Fund's income statement as a deduction from total administrative budget expenses.

### WORK PROGRAM IN FINANCIAL YEAR 1990

7. The level of activity related to the budgetary program of *operations and relations with member countries* continued at a high level in CY 1988, with some work load indicators registering an increase and others declining somewhat over the levels of the previous year. These changes reflected the implementation of a number of efficiency measures, including the greater use of the bicyclic consultation procedure and efforts, whenever possible, to combine Article IV consultations and use of Fund resources missions. In total, there were 130 (137) Article IV missions, including 9 (7) which were conducted within the bicyclic procedure. At the same time, there were 326 negotiating sessions for the use of Fund resources (204 in 1987), of which 183 were conducted at headquarters (66 in 1987) and 44 were within the framework of an Article IV consultation (49). In this context, it must be recognized that although these work load statistics do provide a useful indication of the work load faced by the institution, they do not necessarily reflect the work pressures encountered by the staff as a result of the increasing complexities now involved in Fund programs. An increasing amount of time was devoted during the year to SAF/ESAF and the new Compensatory and Contingency Financing Facility (CCFF) activities, including both mission work and substantial collaboration with member governments, the World Bank and aid agencies. The work load related to SAF/ESAF operations absorbed the equivalent of some 95 (54) man-years of staff time, of which approximately 42 (23) were handled by staff of the African Department. At the end of 1988, 30 countries had SAF or ESAF arrangements as compared to 23 countries at the end of 1987.

8. Overall, it is expected that the country operational work load will increase in FY 1990, particularly given the effect of the first full year of operation under the new CCFF and the continuation and expansion of the SAF/ESAF programs. Staff time devoted to SAF/ESAF activities is expected to rise in the coming year to a level of approximately 107 man-years. Altogether, approximately 55 countries are expected to request use of Fund resources in FY 1990 as compared with 38 in CY 1988 and 29 in CY 1987. For countries availing themselves of menu items for debt reduc-

tion in conjunction with Fund-supported programs, staff work load is likely to increase considerably in complexity. Article IV consultations will continue to absorb considerable staff resources given the increased emphasis placed on policy coordination and surveillance. Efforts will continue in the coming year to streamline Article IV reports and to place additional countries on the simplified interim consultation cycle. It is also likely that additional requests will be received from a number of developing countries (and possibly industrial countries) for policy advice or to review specific developments. Fund assistance in the area of structural issues—fiscal, central banking, exchange market, trade and poverty—is also expected to increase during the coming financial year. The volume of financial activity is expected to increase in FY 1990 from SAF and ESAF Trust transactions, and a higher volume of purchases is anticipated from the General Resources Account. The volume of repurchases and associated loan repayments is expected to decline toward the end of the financial year; however, the operational work in relation to overdue financial obligations to the Fund and issues relating to the prolonged use of Fund resources is expected to offset these decreases. In addition, the formal completion of the Ninth General Review of Quotas will generate a substantial amount of follow-up activity, including work related to the payments for increased subscriptions and the review of the Fund's holdings of SDRs. Overall, the expected increase in work load in the country operational area will require some increase in staff resources in FY 1990, particularly in the African Department.

9. It is expected that the work load in connection with the program of work on *general policy development and research* will continue to be demanding in the coming financial year. However, the completion of the review of the financial instruments and the recent implementation of a two-year review cycle of certain policy issues could assist in reducing the work load of some departments according to preliminary indications. In the first part of the year, the work program will include follow-up activities arising from the April 1989 meetings of the Interim and Development Committees. The scope of the World Economic Outlook



(WEO), which was expanded in FY 1989 to incorporate medium-term scenarios, will remain basically unchanged, although an effort will be made to explain further the forecasting methodology and to extend the coverage of medium-term scenarios of alternative policies in the industrial countries. The analysis will also be revised to incorporate major issues relating to structural policies. Recent efforts to support the policy coordination and surveillance activities will be continued. In this regard, emphasis will be placed on supporting a more active Fund role in these areas and in the functioning of the international monetary system, with special attention being given to a number of key issues including the functioning of the EMS, the SDR and multilateral surveillance processes among G-7 countries. The comprehensive review of the design of Fund programs will continue, and the major review on conditionality initiated in FY 1989 is expected to be completed.

10. Also included in the policy development and research work program for the coming financial year is an analysis of issues related to the implementation of the Ninth General Review of Quotas, and reviews of: (i) the SAF and ESAF, especially the operational issues related to the facilities; (ii) continuing efforts to deal with the problem of arrears to the Fund; (iii) various topics related to the management of the debt situation, especially analyses of various debt proposals and financing instruments that could alleviate debt burdens; (iv) the financial position of the Fund, and reviews of overdue obligations, burden sharing, charges, remuneration and the income target; (v) the role of the SDR in the international monetary system and the review of the method of valuation of the SDR; (vi) matters relating to poverty and government expenditures; and (vii) matters related to the harmonization in the EC and the role of taxation in the movement of capital. On balance, it is expected that the work load for FY 1990 in this program can be accommodated with a marginal increase in resources and some redeployment of manpower.

11. During FY 1989, continued emphasis was placed on the program of work on *special services to member countries*, a program that has been well received by the membership. Following the policy established a few years ago, efforts to complement long-term assistance provided by experts with short-term technical assistance missions undertaken by staff of the Fiscal Affairs Department and the Central Banking Department continued. In the new financial year, short-term assistance will be further increased and will be directed to assisting those countries with existing Fund programs or those that are prospective users of Fund resources. An increasing focus will also be directed towards those countries with Fund programs who are undertaking structural reforms. The coordination of the Fund's technical assistance effort with those of other institutions will continue to receive high priority. As part of a concerted effort to reduce the lag between the time an assignment is requested and when it can be provided, the number of long-term expert man-years will be increased from the estimated 104 man-years in FY 1989 to 108 man-years in FY 1990; utilization of this budgetary allocation, however, will be contingent on resolving the increasing difficulty of recruiting quality experts. Technical assistance services provided by the other area and functional departments will

be continued at their present level. Overall, a small increase in Fund resources will be needed to meet the projected FY 1990 work load for this program. Additionally, an agreement is being readied between the Fund and the UNDP whereby the Fund would become an Executing Agency for the UNDP in the provision of technical assistance services.

12. The IMF Institute program for FY 1990 includes provision for 4,991 participant-weeks of training (equivalent to 96.0 man-years) compared with 4,843 participant-weeks (93.1 man-years) in FY 1989. It has been decided to introduce a new course on Programming and Policies for Medium-Term Adjustment and to replace the 8-week Techniques of Economic Analysis and 16-week Financial Analysis and Policy courses with a 10 week Techniques of Financial Analysis and Programming course. The elimination of these courses will allow the number of courses conducted directly by the Institute to increase from 8 to 9 per year beginning in FY 1990. At the same time, the number of collaborative courses offered with the Fiscal Affairs Department and the Bureau of Statistics will be reduced from 6 to 5 per year. The number of high-level seminars will remain at the FY 1989 level of 3 and will be aimed primarily at developing countries, particularly those facing structural adjustments. The Institute's external training program will include 7 overseas seminars (7 in FY 1989) and lecturing assistance to about 5 regional training institutions. The Institute has received positive responses to its offer to train a number of selected staff members of several regional training institutions at headquarters; this will allow staff of these institutions to assume a larger share of the future lecturing work load. The Institute will continue to develop new training materials in the coming financial year. Overall, it should be possible to maintain the Institute's program without the need to increase staff resources.

13. During FY 1989, the major focus of work in the *statistical services* program was in the areas of data collection and maintenance, technical assistance, the continuing review of statistical methodologies and the preparation of statistical publications. There was also continuing support of area department data work both through the program of short-term technical assistance and also by the staffing of area department missions. In this connection, as an outgrowth of the work to narrow the data gaps relating to the discrepancy in world current account balances, balance of payments aggregates for international organizations became available for the first time and reconciliations were made of the data bases on international banking statistics maintained by the Fund and by the Bank for International Settlements. In addition, work was completed on a Debt Table Generator, which is a facility to assist Fund economists to bring together external debt data from various sources. As part of a Fund-wide effort to achieve a greater rationalization and coordination of the Fund's work on economic statistics, emphasis in FY 1990 will be placed on greater integration of data between the EIS, the data bases maintained by area desk economists, and other Fund-wide data bases, principally the WEO. The coverage, currentness and quality of EIS data will also be improved. As part of this process, a comprehensive internal review of the Bureau of Statistics' work priorities and procedures will be undertaken to identify ways in which greater use can be made of



the Bureau's centralized data collection process, while seeking at the same time to limit data demands on countries.

14. A survey of users of Fund statistical publications has been undertaken with the assistance of a consultant. The results of this survey will be helpful in recommending changes in content, frequency, and pricing of these publications as well as in developing new cost-effective means of disseminating statistics. During the coming financial year, the process of revision of the United Nations' *A System of National Accounts (SNA)* will enter the final phases and will include expert group meetings to study links between the SNA and the Material Product System. Additional work in reviewing the fourth edition of the *Balance of Payments Manual* and the draft *Guide to Money and Banking Statistics in IFS* will be undertaken. Work will also begin on the preparation of a *Balance of Payments Compilation Guide*. Pending the completion of these efforts, it is not planned to increase the level of staff resources in this program.

15. A more comprehensive and coordinated *information and external relations* program was mounted in FY 1989. Press conferences and meetings were held with various groups during the Annual Meetings, as well as in various locations in South-East Asia, Europe, Latin America and North America. The program of seminars for nonofficials continues to play an important role; three seminars were held in Milan, Hamburg, and Abu Dhabi during FY 1989 and preparations are well advanced for 3 additional seminars in FY 1990. In addition, efforts were continued to strengthen contacts with nongovernmental organizations (NGOs). A revised version of the film on the Fund, "The IMF at Work," was produced in French, German, Portuguese and Spanish during FY 1989.

16. An intensified program of external relations activity will be undertaken in FY 1990 to improve public understanding of Fund policy, especially regarding the recent innovations in the SAF, ESAF, and CCFF. Increased emphasis will also be focused on Fund programs on growth and the alleviation of negative effects on poverty groups. An enhanced public affairs program will be implemented, and press relations will be broadened beyond their traditional concentration on the financial press in an effort to reach the general public and to inform TV and radio producers, editors and correspondents on Fund related issues. The work activity of the Office of the U.N. Representative is expected to intensify as a result of its work with the U.N. on the study of commodity problems in Africa, the review of the U.N. Programme of Action for Africa's Economic Recovery and Development (UNPAAERD), and the work in connection with the Inter-Ministerial Conference on the Least Developed Countries. Seven press seminars are planned for FY 1990 in Africa, Asia, Europe, Latin America and the United States. In addition to the traditional publications, several books will be published, including a study of *Analytical Issues in Debt*, analyses of fiscal policies and central banking in developing countries, and a fourth volume of *The Fund Agreements in the Courts*. A vigorous campaign will be launched to increase the number of subscribers to Fund publications. Although the projected external relations program is substantial, it is anticipated that, through the redirection of activities, only minimal additional resources will be required in the new year.

17. Work in connection with other international organizations continued unabated in FY 1989; this level of activity

is expected to continue in FY 1990. The work activity related to trade negotiations under the Uruguay Round is likely to continue to gain momentum; however, special priority will be given to the specific groups and committees established under the Round and to the coordination of trade and macroeconomic policy between the GATT and the Fund at the specific country level. The work with respect to the OECD, EC, and BIS in relation to macroeconomic, structural and regional policies and developments, debt, and aid matters, will consume a large portion of staff time, as will work with UNCTAD and the ILO. Intensive collaboration with the World Bank will continue, in connection with both the expansion of the lending activities of the two institutions in support of macroeconomic and structural adjustment programs and also in the more general context of the provision of policy advice to member countries. Considerable resources will be devoted to a strengthening of existing procedures on Fund-Bank collaboration to ensure that differences of views that may emerge between the institutions are resolved at an early stage, and do not result in differing policy advice to member countries. These matters are expected to absorb an increased amount of staff time and resources in FY 1990.

18. In FY 1989, activities in the *general support services* program remained at a high level, reflecting the demands placed on the institution as a whole. Several reviews were undertaken, including those of the pension plan, leave policies, merit pay policy, mobility, language training programs, travel and per diem policy, benefits for resident representatives and technical assistance experts, and the methodology on the allocation of EDP resources. In the coming year, staff compensation and benefits issues will be a primary focus of attention as decisions are taken on the recommendations of the Joint Compensation Committee. Following adoption of a revised salary structure, procedures for administration of a new salary system will be developed and brought into operation; a major revision of the Staff Retirement Plan will be proposed; a quadrennial benefits survey will be carried out; and the tax reimbursement system will be revised to take account of changes effected by the U.S. Tax Reform Act of 1986. Steps will also be taken in FY 1990 to strengthen the Fund's compensation facilities and to gain better access to current information on developments in the compensation and benefits areas, so that the institution, as an employer of a high-caliber international staff, can more actively develop and adapt its practices to meet changing needs and circumstances. Studies will also be conducted on career development and on the annual appraisal and merit exercises. In the data processing area, emphasis will continue to be placed on increasing the stock of microcomputers, the production and maintenance of ongoing systems, the continuation of development projects initiated in previous years, and the start-up of new initiatives that have demonstrated a positive cost-benefit ratio and would improve the quality of the Fund's work with members. The proposed allocation of resources for EDP activities is sufficient to accommodate the FY 1990 work program, although it is likely that any unforeseen contingencies may require additional appropriations. On balance, and given the efficiencies resulting from reorganization and greater use of vendor services, it will be possible to carry out the FY 1990 work program with a small reduction in regular staff resources.



## BUDGET PROPOSALS FOR FY 1990

### Assumptions and Framework of the FY 1990 Administrative and Capital Budgets

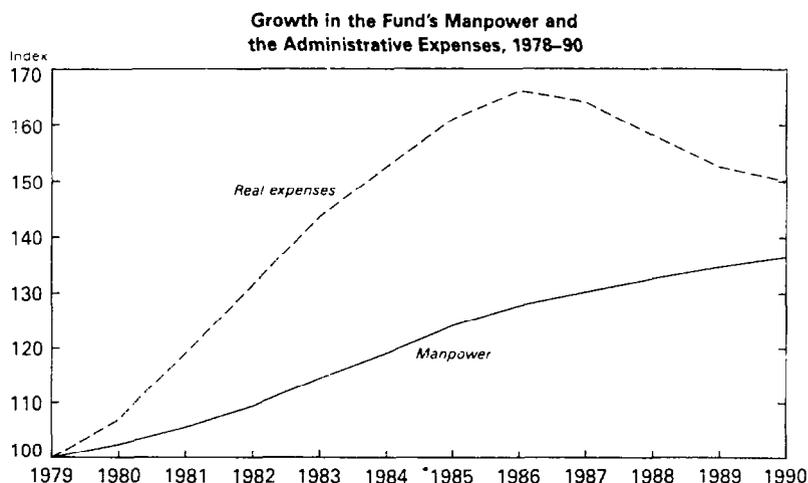
19. As part of the continuing effort to balance the steady increase in the work load of the Fund with the objective of both management and the Executive Board to maintain a spare and streamlined institution, increasing attention over the past few years has been focused on the need to allocate and utilize the institution's human and financial resources as

efficiently as possible. The need to maintain effective control over the growth of the Fund's budget and organization was endorsed by the Executive Board in January 1989 when discussing the budgetary outlook for FY 1990 (EBAP/89/10, 1/11/89).

GROWTH IN THE FUND'S MANPOWER AND ADMINISTRATIVE EXPENSES, FY 1979-90

The proposed administrative budget for FY 1990, including an allowance of \$11.9 million for an overall salary increase, is \$253.7 million; the increase in administrative expenses is nearly three times the expenses of \$90.5 million incurred in FY 1979. During this 11 year period, the annual average increase in nominal terms was 10.2 percent and 3.9 percent in real expenses using the Washington Consumer Price Index as a deflator. It should be recognized that a more appropriate deflator would be one that reflects the price movements of the items included in the budget; such a deflator is only available for the last few years.

Expressed in real terms, the level of expenses proposed for FY 1990 is 50 percent above the level in FY 1979. This compares with an increase of 37 percent in effective manpower over this period, or an average annual increase of 2.9 percent. The chart provides an overview of the increases in manpower and in real administrative expenses during this period.



20. To provide the Executive Board with a medium-term budgetary scenario, the outlook paper proposed a number of broad management objectives for the forthcoming year. These objectives were well received by Executive Directors and have been followed when formulating the overall stance of the FY 1990 Administrative and Capital Budgets. I believe that it is worth restating these objectives:

First, the various activities of the institution must be kept under continuous review in order to identify the relative priorities of competing activities and to elicit sound decisions on resource allocations.

Second, a major concern of management is to respond effectively to evolving member country needs, through the maintenance and improvement of the intellectual foundations of our policy analysis and advice, and our working relationship with member countries. This is particularly important as the Fund is primarily responsible for the assessment of macroeconomic policy and because of the institution's central role in the external debt issue.

Third, the Fund's capability to attract, retain and motivate high quality personnel must be strengthened. A suitable work load and environment, job satisfaction, monetary rewards, and appropriate tools and facilities with which to carry out the staff's work, are central to this effort as is the

need to implement sound policies affecting career development and prospects.

Fourth, the growth of the Fund's establishment must be firmly controlled, in order to maintain the collaborative nature of the institution and its ability to respond quickly and flexibly to members' needs.

Fifth, to cope with a heavy work load in the context of firm and continuing budgetary restraint, management must ensure that the Fund's human and financial resources are deployed as efficiently and effectively as possible.

21. These management objectives are interlinked and action to achieve one will necessarily have an impact on others. These linkages must be carefully considered when making decisions to achieve further economies or to meet unexpected pressure points that will face the institution in the coming year.

22. As was mentioned in last year's budget document, a program of efficiency improvements, particularly in the area of administrative support, was launched in FY 1989. This program included the possibility of "contracting out" certain activities that are presently handled in-house. In appropriate cases, this approach offers a practicable and cost effective alternative to using regular or contractual staff to handle responsibilities that require specialized skills, or that provide little or no avenues for advancement. In all such



cases, consideration of security and efficiency will, of course, be given full weight.<sup>6</sup> The beneficial impact of this approach in terms of cost savings will start to be realized in FY 1990, in such areas as mail processing and in selected publications functions.

23. After considering the projected staff work load in FY 1990, the current staffing level in the Fund and the management objectives outlined earlier in this section, including the need for budgetary restraint, management is proposing an Administrative Budget of \$241.8 million and a Capital Budget of \$5.8 million for FY 1990.

24. As mentioned in paragraph 3, the amount provided in the proposed Administrative Budget to fund the anticipated work load in FY 1990 does not make any provision for an overall salary increase. However, in order to provide the Executive Board with a more realistic basis for comparing the proposed FY 1990 administrative expenses with those

of previous years, it is desirable to make allowance for an expected salary increase in the coming year. As indicated in paragraph 5, an amount of about \$11.9 million appears to be the minimum necessary under the revised salary structure proposed by management. This would increase total administrative expenses to \$253.7 million or 3.6 percent above the likely expenses for FY 1989. As in previous years, an important factor contributing to the small increase in overall administrative costs in FY 1990 is the reduction in expenses of the Staff Retirement Plan in comparison to those of FY 1989 as a result of the continued strong performance of the Plan's investment portfolio. When provision is made for capital disbursements of \$25.1 million<sup>7</sup> described later in this statement, administrative expenses and capital disbursements in FY 1990 are estimated to total \$278.8 million, as shown in Table 2.

**TABLE 2. ADMINISTRATIVE AND CAPITAL EXPENSES, FY 1989-FY 1990**  
(In millions of U.S. dollars)

	FY 1989	FY 1990	FY 1990 Compared with FY 1989	
			Increase Decrease (-)	Percent Change
Recurring administrative expenses	242.9	253.7 <sup>1</sup>	10.8	4.4
Plus: Nonrecurring administrative expenses	2.1 <sup>2</sup>		- 2.1 <sup>2</sup>	-100.0
Total administrative expenses	245.0	253.7	8.7	3.6
Plus: Capital disbursements	4.7	25.1 <sup>3</sup>	20.4	434.0
Total administrative and capital	249.7	278.8	29.1	11.7
Less: Provision for salary adjustment in FY 1990 <sup>1</sup>		- 11.9		
Total proposed expenses for FY 1990		266.9		

<sup>1</sup>Includes an amount of \$11.9 million for a 1989 salary increase.

<sup>2</sup>Includes \$1.6 million for the Annual Meeting in Berlin and \$0.5 million for an election year for Executive Directors.

<sup>3</sup>Estimated capital disbursements in FY 1990 for the Western Presbyterian Church property project approved at EBM/88/169, 11/21/88.

25. Part of the proposed FY 1990 capital disbursements of \$25.1 million is for the refurbishing of additional leased space at International Square. Two years ago, authority was sought from the Executive Board to acquire 110,000 square feet of office space at International Square (EBAP/87/61, 3/20/87). This amount of space was required in order to meet the then current needs and the projected demand for space for the next few years. At that time, the Executive Board authorized the lease of only 55,000 square feet, and management was asked to bring the subject back to the Board if and when the need arose. Since then, the need for additional space has been brought to the attention of the Executive Board on a number of occasions, most recently in

<sup>6</sup>A discussion of the rationale underlying the employment of regular staff, contractual employees and vendor resources is contained in a separate Executive Board paper to be issued before the budget discussion scheduled for April 24, 1989. This paper will also address the desirability of reclassifying a number of regular staff, contractual and vendor arrangements. The proposed budget for FY 1990 does not address this issue of reclassification pending the forthcoming Executive Board discussion on this matter.

the discussion of the Budgetary Outlook for FY 1990 (EBM/89/6, 1/18/89).

26. Today there is space at headquarters or at International Square sufficient to accommodate about one-third of existing vacancies. At the same time, the pressure to fill vacant positions to meet pressing demands of work is intense. In addition, there is no space sufficiently large to house a division-sized work unit; in this context, the new divisions proposed in the FY 1990 budget, particularly for the African Department, need to be accommodated. Furthermore, even on a most conservative assumption of personnel growth of only one half of one percent each year for the next several years (the proposed FY 1990 manpower increase is 0.6 percent), the Fund will need to find housing for some 70 to 100 individuals before owned space might become available. The need to find additional space is critical.

<sup>7</sup>Includes \$18.3 million for the acquisition of the Western Presbyterian Church property.



27. Two separate blocks of space, equalling approximately 59,000 square feet, will soon become available at International Square, the only viable blocks of space at that location expected to come on the market over the course of the next few years. While not as convenient as the space proposed for acquisition two years ago, it is sufficient to accommodate approximately 100 offices. However, the space becomes available in three stages (May/August 1989 and May 1990), which better matches actual demand and thus achieves some cost savings. It will also provide, if needed, the flexibility to move groups rather than large departments.

28. To satisfy our most immediate space needs over the next few years, it is proposed to lease the 59,000 square feet in International Square, effective May 1, 1989. A total of about 18,000 square feet will become available in early FY 1990 at a cost of \$480,000 and this amount has been included in the FY 1990 Administrative Budget. The associated costs of space planning, renovating the new space and the subsequent space vacated at headquarters, and moving arrangements are included in the FY 1990 Capital Budget. A preliminary estimate of \$2.1 million has been budgeted for these expenses, although it is likely that these preliminary estimates may change when detailed construction drawings are prepared and construction bids have been received. The remaining 41,000 square feet will become available in May 1990, and the leasing costs and the refurbishing costs of this additional space will be included in the FY1991 Administrative and Capital Budgets.

#### Proposed Administrative Budget for FY 1990

29. The proposed Administrative Budget for FY 1990, excluding any overall salary increase, amounts to \$241.8 million. The main features of the budget proposal are summarized in the following paragraphs.

30. In formulating the Administrative Budget, a primary management objective has been to meet a demonstrated increase in prospective work load by the redeployment of resources from areas of lesser priority, or from activities that are no longer needed or where manpower savings can be achieved by instituting changes in operating or employment procedures. This has allowed the elimination of a number of positions in the support departments and these positions have been used to supplement the manpower currently available in the area, functional and special service departments. Summary tables comparing the proposed changes in staff ceilings and manpower by unit of organization are shown on pages 48 and 49.

31. The proposed FY 1990 budget provides for a small increase of only 12.9 man-years (0.6 percent) over the FY 1989 estimated figure. Based on the projected work program for FY 1990 as discussed in the previous section (paragraphs 7 to 18) and taking into account the overall objectives of the Fund in the medium term (paragraph 20), priority in the allocation of additional manpower resources has been given to the operational country work of the institution, particularly the design and implementation of economic programs, the strengthening of surveillance through the consultation process, the work on systemic issues including debt, and enhancing the work on structural issues including poverty. Accordingly, the proposed increase in manpower for FY 1990 has been directed towards those departments which are primarily involved in these activities.

32. The increase of 12.9 man-years for FY 1990 over the estimated usage in FY 1989 (see Table 3) reflects the following changes: (i) the addition of 25.5 new staff positions, including 3 unallocated staff positions and 5 undesignated resident representative positions, offset by the elimination of 16.5 existing staff positions; (ii) an anticipated

**TABLE 3. PROPOSED FY 1990 MANPOWER COMPARED WITH FY 1989 ESTIMATED MANPOWER<sup>1</sup>**  
(In Man-Years)

	FY 1989 Rev. Est.	Change	Proposed FY 1990
Staff:			
Regular Positions	1,721.5	9.0	1,730.5
Vacancies <sup>2</sup>	-117.9	4.6	-113.3
Economist, Summer Intern and Special Appointee Programs	55.2	2.6	57.8
Temporaries — A9 and above	163.3	-18.5	144.8
Temporaries — A1-A8	159.7	3.9	163.6
Overtime	30.5	2.7	33.2
Subtotal	2,012.3	4.3	2,016.6
Consultants	13.2	4.6	17.8
Experts	104.0	4.0	108.0
Total	<u>2,129.5</u>	<u>12.9</u>	<u>2,142.4</u>

<sup>1</sup>Excludes Executive Directors and their staffs.

<sup>2</sup>Departments are allowed to recruit and charge the cost of temporary/contractual employees against regular position vacancies. In FY 1989, approximately 50 percent of the 117.9 man-years of vacancies were filled using temporary employees.



small reduction in existing vacancies equivalent to 4.6 man-years; (iii) an increase of 2.6 man-years in the Economist, Summer Intern and Special Appointee Programs; (iv) a decline of 14.6 man-years for temporary assistance (mainly in the EDP area); (v) an increase of 2.7 man-years in paid overtime; (vi) an increase of 4.6 man-years for the service of consultants; and (vii) an increase of 4.0 man-years of technical assistance provided by experts.

33. The net increase of 9 additional staff positions will raise the staff ceiling by 0.5 percent to 1,730.5 positions. As noted in the previous paragraph, 3 of these positions are for unallocated staff positions that will be held at management's discretion, to meet long-term and demonstrated new requirements which cannot be met by further redeployment. Although there is an increase of only 1 position (net)

in the overall aggregate ceiling of departments, bureaus and offices, there are changes in a number of individual departments, including an increase of 7 positions in the African Department. The addition of 5 resident representative posts will increase the number of approved positions to 32. All 5 new positions are undesignated, although it is expected that the majority will be allocated to the African and Western Hemisphere Departments. A summary of resident representative assignments anticipated in FY 1990 compared with current assignments in FY 1989 is shown on page 95.

34. The proposed increases in manpower and regular staff positions in FY 1990, compared with those of the past five years, are shown in Table 4.

**TABLE 4. CHANGES IN REGULAR POSITIONS AND TOTAL MANPOWER, FY 1985-90**  
(In Man-Years)

Financial Year	Change from Previous Year <sup>1</sup>		Percent Change	
	Regular Positions	Total Manpower	Regular Positions	Total Manpower
1985	48.5	59.5	3.0	3.2
1986	29.5	78.2	1.8	4.1
1987	3.0	30.3	0.2	1.5
1988	20.5	1.7	1.2	0.1
1989	10.0	84.5	0.6	4.1
1990	9.0	12.9	0.5	0.6

<sup>1</sup>As of the end of each financial year.

35. A breakdown of the proposed Administrative Budget for FY 1990 by object of expense is shown in Table 5. The percentage distribution of estimated expenses by ob-

ject of expense and by program of activity is shown in the chart on the next page.

**TABLE 5. ADMINISTRATIVE EXPENSES, FY 1988-FY 1990**  
(In millions of U.S. dollars)

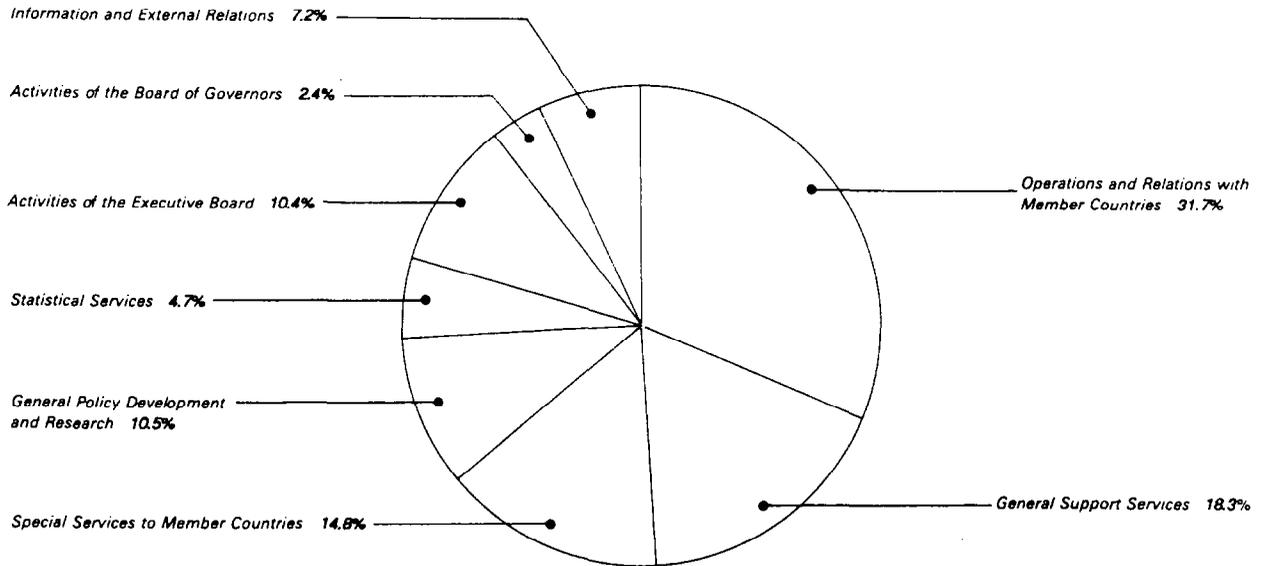
Object of Expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 <sup>1</sup> Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>I. PERSONNEL EXPENSES</b>					
A—Salaries	104.4	109.2	110.4	1.2	1.1
B—Other Personnel Expenses	<u>60.2</u>	<u>57.6</u>	<u>51.6</u>	<u>-6.0</u>	<u>-10.4</u>
Subtotal	164.6	166.8	162.0	-4.8	-2.9
<b>II. TRAVEL EXPENSES</b>					
C—Business Travel	14.8	18.8	18.5	-0.3	-1.6
D—Other Travel	<u>12.1</u>	<u>12.8</u>	<u>13.1</u>	<u>0.3</u>	<u>2.3</u>
Subtotal	26.9	31.6	31.6	--	--
<b>III. OTHER ADMINISTRATIVE EXPENSES</b>					
E—Communications	5.8	6.3	6.5	0.2	3.2
F—Building Occupancy	12.9	15.1	16.7	1.6	10.6
G—Books and Printing	2.0	2.2	2.3	0.1	4.5
H—Supplies and Equipment	5.0	5.1	4.7	-0.4	-7.8
I—Data Processing	15.8	14.4	13.7	-0.7	-4.9
J—Miscellaneous	<u>9.0</u>	<u>3.5</u>	<u>4.3</u>	<u>0.8</u>	<u>22.9</u>
Subtotal	50.5	46.6	48.2	1.6	3.4
<b>TOTAL</b>	<u>242.0</u>	<u>245.0</u>	<u>241.8</u>	<u>-3.2</u>	<u>-1.3</u>

<sup>1</sup>Excludes any amount for an overall salary adjustment.

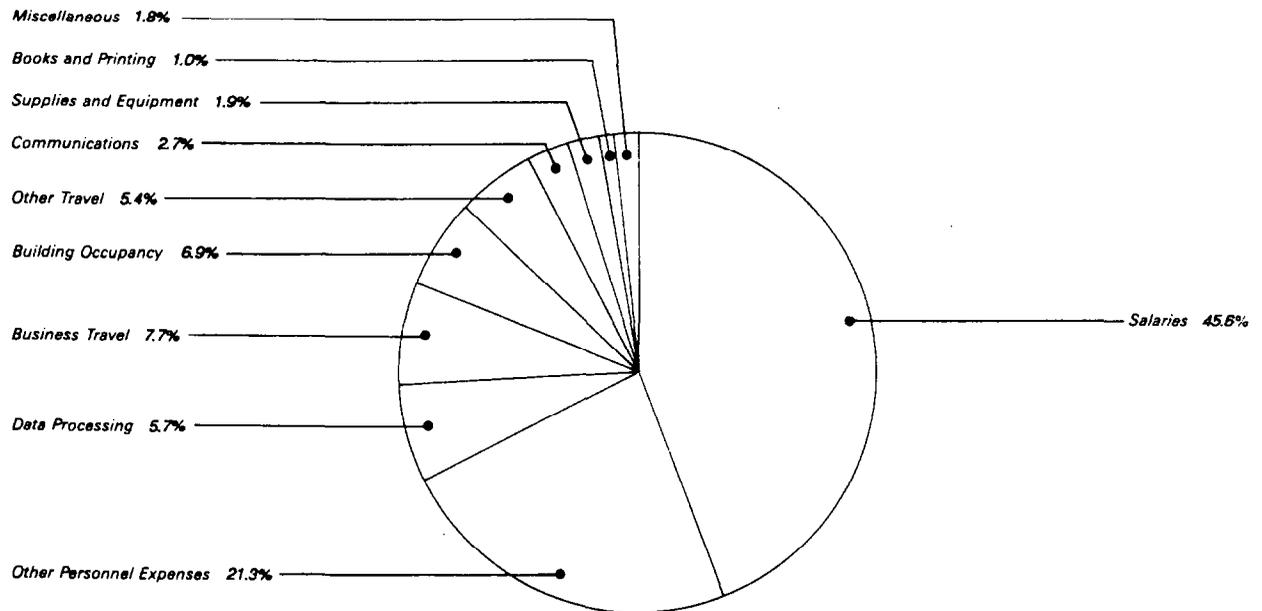


**PERCENTAGE DISTRIBUTION OF ADMINISTRATIVE BUDGET FOR FY 1990**  
 (\$241.8 million)

**BY PROGRAM**



**BY OBJECT OF EXPENSE**





36. Table 6 compares the proposed Administrative Budget of \$241.8 million (excluding any provision for an overall

salary increase) for FY 1990 with the revised budgets and actual expenses over the past five years.

**TABLE 6. REVISED BUDGET ESTIMATES COMPARED WITH ACTUAL EXPENSES, FY 1985–FY 1990**  
(In millions of U.S. dollars)

Financial Year	Revised Budget <sup>1</sup>	Actual Expenses	Changes in Actual Expenses from Previous Year	
			\$ Million	Percent
1985	234.7	226.4	24.2	12.0
1986	253.2	245.8	19.4	8.6
1987	247.6	247.1	1.3	0.5
1988	250.6	242.0	-5.1	-2.1
1989	252.5	245.0 (est.)	3.0	1.2
1990	241.8 <sup>2</sup>			

<sup>1</sup>Expenses for FY 1987 and earlier years include a small amount of capital expenses; commencing in FY 1988, capital expenses are included in the separate capital budget.

<sup>2</sup>Proposed budget excluding an overall salary increase. If the proposed increase of \$11.9 million is included, the total would be \$253.7 million.

37. The principal factors (i.e., those with a value of \$300,000 or more) accounting for the change in administra-

tive expenses in FY 1990, in comparison with those for FY 1989, are listed below:

	<u>\$ Thousand</u>
(i) Increase in business travel costs excluding Annual Meetings related travel	1,500
(ii) Higher medical benefit payments	1,200
(iii) Expenses for a net increase of 9 regular positions <sup>1</sup>	1,200
(iv) Increase in rental costs for International Square	1,000
(v) Increase in benefit travel costs	570
(vi) Higher building maintenance expenses	560
(vii) Increase in contractual services	480
(viii) Higher building occupancy expenses excluding items (vi) and (xx)	385
(ix) Increase in experts from 104 man-years to 108 man-years <sup>1</sup>	370
(x) Increase in consultant man-years	300
(xi) Expenses associated with one extra paid day in FY 1990	300
(xii) Increase in education, study and training programs	300
(xiii) Lower costs associated with the Staff Retirement Plan	-6,400
(xiv) Turnover of staff <sup>1</sup>	-2,040
(xv) Reduced costs resulting from the Annual Meetings being held in Washington	-1,650
(xvi) Lower net additional accruals for accumulated annual leave and separation grants	-1,060
(xvii) Lower expenses for data processing excluding staff and contractual salaries and benefits	-710
(xviii) Decrease in furniture purchases	-570
(xix) Lower costs on account of a nonelection year for Executive Directors	-500
(xx) Reduction in building alteration expenses	-500
(xxi) Other factors	2,135
	<u>-3,130</u>

<sup>1</sup>Includes salaries and other personnel expenses.

### Proposed Capital Budget for FY 1990

38. The proposed capital budget for FY 1990 includes nine projects estimated to cost \$5.8 million. Of this total, \$3.8 million is for six building and equipment projects at headquarters and \$2.0 million is for three projects at other locations. Projects proposed at headquarters include improvements in a number of life safety systems, an asbestos abatement program, improving the ventilation and other support systems in the graphics area, the replacement of

heating and air conditioning valves throughout the building, and the renovation of office space for staff relocations. At other locations, it is proposed to make a number of improvements including renovating the additional leased space at International Square, and purchasing a telephone system for the Annual Meetings Office. There is no capital proposal for data processing equipment acquisitions for FY 1990. Table 7 summarizes the proposed investment in capital projects scheduled to begin in FY 1990.



TABLE 7. CAPITAL BUDGET, FY 1990–FY 1992  
(In millions of U.S. dollars)

	Total	Proposed		
		FY 1990	FY 1991	FY 1992
I. Building space facilities				
A. Headquarters	3.8	2.9	0.8	0.1
B. Other locations	2.0	1.6	0.4	—
Total capital projects	<u>5.8</u>	<u>4.5</u>	<u>1.2</u>	<u>0.1</u>

39. In addition to the projects proposed for FY 1990, a review of the Western Presbyterian Church project will be prepared for the Executive Board early in FY 1990. The feasibility of a number of other projects is also being studied, including replacing the sound system in the Committee Rooms, improvements to the elevator bank in Phase IIa of

the headquarters building, improvements to the public address system at headquarters, and additional improvements to one of the IMF Institute's lecture rooms. These projects may be proposed in the future depending upon the results of the feasibility studies.

### PROJECTIONS OF ADMINISTRATIVE AND CAPITAL EXPENSES FOR THE THREE-YEAR PERIOD, FY 1990–FY 1992

40. Table 8 places the proposed Administrative Budget for FY 1990 in the context of projections for the next three years. The projections for FY 1991 and FY 1992 are based upon certain assumptions, some of which tend to change significantly in the short term. Accordingly, the projections

for those years are only an indication of the trend of likely expenses based on one set of assumptions. The assumptions on additional manpower for FY 1991 and FY 1992 do not provide for any increases at this time beyond the level budgeted for the current year.

TABLE 8. PROJECTIONS OF ADMINISTRATIVE EXPENSES  
FY 1990–FY 1992  
(In millions of U.S. dollars)

	Actual		Rev. Est.	Projections		
	FY 1987	FY 1988	FY 1989	FY 1990 <sup>1</sup>	FY 1991	FY 1992
Personnel Expenses	170.1	164.6	166.8	173.9	182.9	192.3
Travel Expenses	25.6	26.9	31.6	31.6	33.1	37.1
Other Administrative Expenses	51.4	50.5	46.6	48.2	50.5	52.4
Total	<u>247.1</u>	<u>242.0</u>	<u>245.0</u>	<u>253.7</u>	<u>266.5</u>	<u>281.8</u>
Percent change over previous year	0.5	-2.1	1.2	3.6	5.0	5.7

<sup>1</sup>Differs from the proposed budget by \$11.9 million for a possible general salary adjustment.

#### Administrative Budget Projections

41. The main assumptions underlying the projections for FY 1991 and FY 1992 are as follows:

(i) As mentioned above, no increase in manpower has been included in the projections. As an indication of the costs associated with increases in manpower, every ten additional man-years would normally increase salary, benefits, and overhead by \$600,000–\$800,000 depending on the type of manpower added.

(ii) With regard to average salary levels of Fund staff, it is assumed that salaries, after taking into account salary adjustments and staff turnover, will remain approximately constant in real terms.

(iii) It is assumed that the near record vacancy level will gradually subside.

(iv) It is assumed that the overall rate of inflation affect-

ing budgetary items will be about 5–6 percent per annum. Within this overall range, it is expected that there will continue to be variations in price movements of different items, e.g. higher than average inflation rates for medical benefit services and for office supplies.

(v) It is assumed that there will be no major changes in the Fund's travel or personnel policies.

(vi) It is assumed that data processing expenses during the next three years will remain at about current levels.

(vii) It is assumed that contributions to the Staff Retirement Plan will not fluctuate significantly after FY 1990.

(viii) In addition to these general assumptions affecting all three years, allowance has been made for special factors affecting each individual year, such as the impact of holding the Annual Meetings overseas or in Washington, and the two-year cycle for the election of Executive Directors.



42. The administrative expense proposal for FY 1990 is explained in detail in the Object of Expense section of the document (pages 99-110). For FY 1991, administrative expenses are projected to increase by 5.0 percent (\$12.8 million). The estimated increase reflects \$9.0 million for higher salaries and other personnel expenses as a result of inflation, possible salary adjustments and other factors, \$3.2 million for the impact of inflation on travel and other administrative expenses, \$1.1 million for increased building operation costs including rental of additional space at International Square, and \$0.5 million because FY 1991 is an election year for Executive Directors. These increases are offset by small decreases in a number of other areas.

43. The projection for administrative expenses for FY 1992 is 5.7 percent (\$15.3 million) higher than for FY 1991. The estimated increase is comprised primarily of \$9.4 million for higher salary and other personnel expenses as a result of inflation, possible salary adjustments and other factors, \$3.3 million for the impact of inflation on travel and

other administrative expenses, \$2.6 million for the Annual Meetings which will be held overseas, and other factors. These increases are offset slightly by lower costs because FY 1992 is not an election year for Executive Directors and by other factors.

### Capital Budget Projections

44. As mentioned in paragraph 39, there are several studies underway that may result in proposals to the Executive Board for new capital projects in addition to the FY 1990 capital project proposals contained on pages 115-117. The actual cost of future capital projects will depend upon the results of the feasibility studies in progress, and the subsequent decisions of the Executive Board on future proposals. Accordingly, estimates for capital projects beyond those presented in the FY 1990 Capital Budget are not incorporated into the FY 1991-FY 1992 projections.

## REIMBURSEMENT OF EXPENSES OF THE SDR DEPARTMENT, THE SPECIAL DISBURSEMENT ACCOUNT, THE TRUST FUND, AND THE SUPPLEMENTARY FINANCING FACILITY SUBSIDY ACCOUNT

### SDR Department

45. Under Article XX, Section 4 of the Articles of Agreement, the Fund is required to assess participating members annually in order to reimburse the General Department for the estimated costs of conducting the business of the SDR Department. The procedure used in FY 1988 to estimate these costs has again been used in FY 1989. Costs are estimated on the basis of the time spent on SDR Department business by the Executive Board, the management, and the staff of the four departments mainly concerned—the *Legal, Research, Secretary's, and Treasurer's Departments*. The direct costs of cables and electronic data processing are added to the costs attributable to salaries and benefits. General miscellaneous and overhead costs incurred by the Fund are estimated on the basis of the ratio of SDR Department-related costs of salaries, benefits, and travel of Executive Directors and staff to the Fund-wide costs for these items. Based on this procedure, the administrative costs of conducting the business of the SDR Department in FY 1989 would be SDR 3.7 million. In accordance with past practice, this assessment would be levied as a flat percentage of each member's allocation of SDRs. The proposed percentage is 0.0172629. A draft decision to that effect is proposed for adoption by the Executive Board and will be found on page 16.

46. Following the procedure outlined above, the cost of conducting the business of the SDR Department for FY 1990 is expected to be about SDR 4.1 million. This estimate will be reviewed at about this time next year, and a final assessment for FY 1990 will be proposed for the approval of the Executive Board as part of the FY 1991 budget document.

### Special Disbursement Account

47. The Regulations for the Administration of the Structural Adjustment Facility (SAF) within the Special Disbursement Account (Decision No. 8238-(86/56) SAF,

3/26/86) provide that the General Resources Account of the Fund shall be reimbursed annually by the Special Disbursement Account (SDA) in respect of the expenses of administering the Facility that are paid from the General Resources Account. The Fund's expenses in administering the Enhanced Structural Adjustment Facility (ESAF) are also reimbursed by the SDA in accordance with Decision No. 8758-(87/176) SAF, adopted December 18, 1987. As outlined in the budget document for FY 1989, the costs of administering the SAF/ESAF are estimated on the basis of the procedures used to estimate the costs of conducting the business of the SDR Department—i.e., estimates are made of the time spent on SAF/ESAF business by the Executive Board, the management and staff; the direct costs of mission travel, cables, and electronic data processing are added to the costs attributable to salaries and benefits; and general miscellaneous and overhead costs incurred by the Fund are estimated on the basis of the ratio of SAF/ESAF-related costs of salaries, benefits, and travel of Executive Directors and staff to the Fund-wide costs for these items. Based on this procedure, the revised estimate for these costs for FY 1989 is SDR 11.1 million, compared with the original estimate of SDR 9.2 million made in March 1988. For FY 1990, the cost of administering the SAF/ESAF is tentatively estimated to be about SDR 12.7 million. This estimate will be reviewed in a year's time, and a final estimate for FY 1990 will be proposed for the approval of the Executive Board as part of the FY 1991 budget document.

### Trust Fund

48. Section III, paragraph 3, of the Trust Fund Instrument provides for the annual reimbursement of the General Department for the estimated costs of conducting the business of the Trust Fund. Following the termination of the Trust Fund at the end of FY 1981, there were a few residual items remaining to be dealt with in subsequent years, e.g.,



arranging for the collection of interest on outstanding Trust Fund loans. In FY 1989, the cost of these activities is estimated to be less than SDR 200,000 and it is proposed that this amount be absorbed, as in previous years, by the General Resources Account. The expenses in FY 1990 are estimated to be small as well.

#### **SFF Subsidy Account**

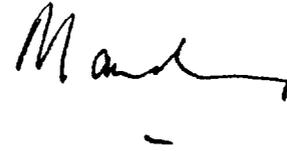
49. Section 15 of the Instrument establishing the Supplementary Financing Facility Subsidy Account provides that the Fund shall be compensated for the expense of carrying out the business of the account, equivalent to one-

thousandth per annum of the value of resources in the account at the end of each financial year. The resources as of April 30, 1988 amounted to SDR 66 million, yielding an assessment of SDR 66,000 which was absorbed by the General Resources Account. The resources to be held in the account as of April 30, 1989 are estimated to be about SDR 22 million, which yields an assessment of SDR 22,000. In view of the negligible costs directly attributable to the SFF Subsidy Account in FY 1989, it is proposed that these costs be absorbed, as in previous years, by the General Resources Account. The expenses in FY 1990 are also estimated to be relatively small.

#### **DRAFT DECISIONS**

50. The draft decisions relating to the Administrative and Capital Budgets for FY 1990 (pages 14 and 15), an assessment for the expenses of the SDR Department (page

16), and a reimbursement for the expenses of the Special Disbursement Account (page 17) are proposed for adoption by the Executive Board.



Michel Camdessus  
Managing Director

March 1989



**DRAFT DECISION RELATING TO THE ADMINISTRATIVE BUDGET ESTIMATES  
FOR FINANCIAL YEAR 1990**

1. Appropriations for administrative expenses for Financial Year 1990 are approved in the total amount of \$241,820,000. This amount will apply to the various categories of expense as follows:

I. PERSONNEL EXPENSES	
A — Salaries .....	\$110,370,000
B — Other Personnel Expenses .....	51,600,000
II. TRAVEL EXPENSES	
C — Business Travel .....	18,525,000
D — Other Travel .....	13,070,000
III. OTHER ADMINISTRATIVE EXPENSES	
E — Communications .....	6,515,000
F — Building Occupancy .....	16,750,000
G — Books and Printing .....	2,330,000
H — Supplies and Equipment .....	4,700,000
I — Data Processing .....	13,700,000
J — Miscellaneous .....	<u>4,260,000</u>
	<u>\$241,820,000</u>

2. Commitments may be made for each lettered category A-J up to the amount indicated above. Any commitment going beyond the total approved for each category will be submitted to the Executive Board for approval.

3. The total staff ceiling of 1,730.5 and its distribution by departments, bureaus and offices as set forth in the budget on page 48 are approved. The staff ceiling shall not be exceeded without prior approval by the Executive Board.



**DRAFT DECISION RELATING TO CAPITAL BUDGET PROJECTS  
BEGINNING IN FINANCIAL YEAR 1990**

1. Appropriations for capital projects beginning in Financial Year 1990 are approved in the total amount of

\$5,815,000. This amount will apply to the various categories as follows:

	<u>Total</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
I. BUILDING SPACE FACILITIES				
A — Headquarters .....	\$3,785,000	\$2,865,000	\$810,000	\$110,000
B — Other Locations .....	<u>2,030,000</u>	<u>1,660,000</u>	<u>370,000</u>	<u>—</u>
	<u>\$5,815,000</u>	<u>\$4,525,000</u>	<u>\$1,180,000</u>	<u>\$110,000</u>

2. Commitments may be made for each lettered category A–B up to the amount indicated in the total column shown above. Any commitment going beyond the total

approved for each capital investment category will be submitted to the Executive Board for approval.



**DRAFT DECISION RELATING TO AN ASSESSMENT UNDER  
ARTICLE XX, SECTION 4, IN RESPECT  
OF FINANCIAL YEAR 1989**

As provided in Article XVI, Section 2, of the Articles of Agreement, the expenses of conducting the business of the SDR Department shall be paid by the Fund from the General Department, which shall be reimbursed from time to time by assessments under Article XX, Section 4, made on the basis of a reasonable estimate of such expenses. For the purpose of such reimbursements, Article XX, Section 4, provides that the Fund shall levy assessments at the same rate for all participants on their net cumulative allocations. Rule T-2 of the Rules and Regulations provides that assessments shall be levied promptly as of the end of each financial year of the Fund.

The following draft decision on a matter pertaining to the General and the SDR Departments is proposed for adoption by the Executive Board:

Pursuant to Article XVI, Section 2, and Article XX, Section 4, of the Articles of Agreement, and Rule T-2 of the Fund's Rules and Regulations, it is decided that:

- (i) The General Department shall be reimbursed for the expenses of conducting the business of the SDR Department for the period from May 1, 1988 to April 30, 1989, and
- (ii) An assessment shall be levied on all participants in the SDR Department. The special drawing rights holdings accounts of participants shall be debited on April 30, 1989 with an amount equal to 0.0172629 percent of their net cumulative allocations of special drawing rights. The total assessment shall be paid into the General Department.



**DRAFT DECISION RELATING TO A REIMBURSEMENT  
FOR THE ADMINISTRATION OF THE STRUCTURAL ADJUSTMENT FACILITY  
WITHIN THE SPECIAL DISBURSEMENT ACCOUNT AND FOR CONDUCTING THE BUSINESS  
OF THE ENHANCED STRUCTURAL ADJUSTMENT FACILITY TRUST  
IN RESPECT OF FINANCIAL YEAR 1989**

In accordance with Decision No. 8238-(86/56) SAF, adopted March 26, 1986, and Decision No. 8760-(87/176), adopted December 18, 1987, the General Resources Account of the Fund shall be reimbursed annually by the Special Disbursement Account in respect of the expenses of administering the Structural Adjustment Facility and conducting the business of the Enhanced Structural Adjustment Facility Trust. The amount of the reimbursement is to be determined on the basis of a reasonable estimate of such expenses. Accordingly, the following decision is proposed for adoption by the Executive Board:

Pursuant to Paragraph 10 of Decision No. 8238-(86/56) SAF, adopted March 26, 1986, and Paragraph 3 of Decision No. 8760-(87/176), adopted December 18, 1987, it is decided that the General Resources Account shall be reimbursed the equivalent of SDR 11,100,000 for the expenses of administering the Facility and the Trust for the period May 1, 1988 to April 30, 1989, and the reimbursement shall be made at the close of the financial year.



## FY 1990 BUDGET BY PROGRAM

This section of the budget document reviews the proposed budget in terms of the Fund's 8 broad programs of activity. It begins with 2 summary tables (A and B) showing total costs and manpower utilization by program. The second part of the section consists of descriptive paragraphs on each program of activity, including tables on costs, manpower, and, for some programs, selected indicators of ac-

tivity. Indicators of activity should be treated with caution. Much of the Fund's work is not easily quantified, and therefore, the indicators may not be fully representative of work loads, productivity, or quality of work. Some program statements are supported by supplementary tables, which break the total cost down by sub-programs.

### (A) COST OF PROGRAMS

(In thousands of U.S. dollars)

Program	FY 1988 Actual	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
1. Activities of the Board of Governors	5,760	7,685	5,887	-1,798	-23.4
2. Activities of the Executive Board	23,688	25,352	25,113	- 239	- 0.9
3. General Policy Development and Research	24,554	24,815	25,317	502	2.0
4. Operations and Relations with Member Countries	76,237	76,578	76,649	71	0.1
5. Special Services to Member Countries	32,884	34,871	35,860	989	2.8
6. Statistical Services	13,079	14,556	11,370	-3,186	-21.9
7. Information and External Relations	16,297	16,978	17,395	417	2.5
8. General Support Services	49,502	44,115	44,229	114	0.3
TOTAL	242,001	244,950	241,820	-3,130	- 1.3

### (B) MANPOWER UTILIZATION BY PROGRAM

(In paid man-years)

Program	FY 1988 Actual	FY 1989 Estimate	FY 1990 Proposed	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
1. Activities of the Board of Governors	38	36	36	—	—
2. Activities of the Executive Board	244	247	250	3	1.2
3. General Policy Development and Research	239	266	270	4	1.5
4. Operations and Relations with Member Countries	661	678	705	27	4.0
5. Special Services to Member Countries	288	308	316	8	2.6
6. Statistical Services	111	108	107	- 1	-0.9
7. Information and External Relations	145	143	143	—	—
8. General Support Services	511	536	512	-24	-4.6
TOTAL	2,237	2,322	2,339	17	0.7

<sup>1</sup>Total manpower is made up as follows in FY 1990 (FY 1989): Executive Directors, their Alternates, Advisors, and assistants: 196 (193) man-years; staff, including the Economist Program, temporary assistance, and paid overtime: 2,017 (2,012) man-years; technical assistance experts and consultants: 126 (117) man-years. Increased manpower in FY 1990 is attributable primarily to new staff positions (9), and more experts and consultants (9).



## FY 1990 BUDGET BY PROGRAM

### 1. ACTIVITIES OF THE BOARD OF GOVERNORS

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	1,790	1,870	1,710	- 160	- 8.6
Other personnel expenses	723	667	534	- 133	-19.9
Business travel	1,728	3,720	1,925	-1,795	-48.3
Other travel	90	97	85	- 12	-12.4
Data processing	62	65	25	- 40	-61.5
Other administrative expenses	1,367	1,266	1,608	342	27.0
<b>Total</b>	<b>5,760</b>	<b>7,685</b>	<b>5,887</b>	<b>-1,798</b>	<b>-23.4</b>
<b>B. Number of Paid Man-Years</b>	38	36	36	—	—
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Annual Meetings					
<i>Number of Participants</i>	10,314	8,519			
Number of trips paid	269	603			
IC/DC and ancillary meetings	13	13			

<sup>1</sup> Indicators of activity are for calendar years 1987 and 1988.

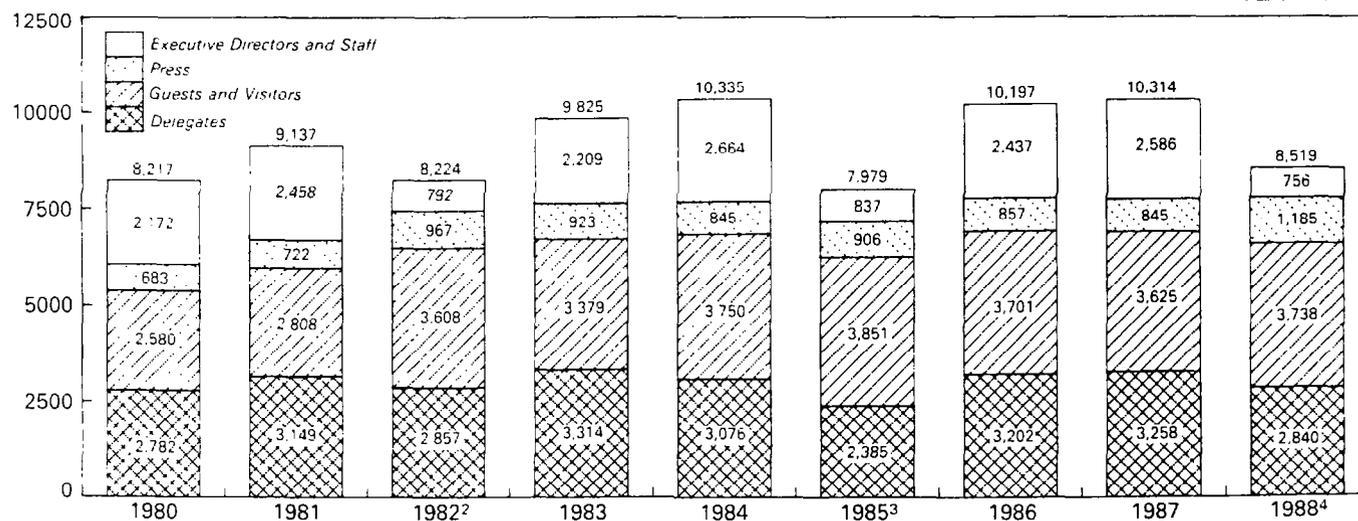
This program includes expenses of the Annual Meetings and meetings of joint committees of the Board of Governors, such as the Development Committee and the Committee on the Remuneration of Executive Directors and their Alternates, and of the Development Committee Secretariat. Of these expenses, which are shared with the World Bank, only the Fund's share is shown in this document. The Fund bears the expenses of the Interim Committee meetings and the support given for meetings of such bodies as the G-10 and G-24. It should be noted that the costs of this program differ from those for the Board of Governors on page 46 in the section "Budget by Unit of Organization," because the estimated costs of staff and Executive Directors' travel and staff support related to these activities are

included in this program, whereas in the section "Budget by Unit of Organization," such costs are shown against Executive Directors and the departments of the staff concerned.

As the next Annual Meeting will be held in Washington, no provision has been made for travel expenses of Executive Directors and staff which are incurred when the meeting is held abroad.

The proposed budgets for the Interim and Development Committees are based on the assumption that there will be 2 meetings of each committee in FY 1990, both held in Washington. The budget estimates for the Development Committee Secretariat provide for the costs of the Executive Secretary, a Senior Advisor, and 2 secretarial assistants.

**Annual Meetings Attendance, 1980-1988<sup>1</sup>**



<sup>1</sup> Figures include World Bank attendance and spouses. Not included are contractual and local staff.

<sup>2</sup> Meetings in Toronto, Ontario, Canada.

<sup>3</sup> Meetings in Seoul, Republic of Korea.

<sup>4</sup> Meetings in Berlin (West), Fed. Rep. of Germany.



**FY 1990 BUDGET BY PROGRAM**

**1. ACTIVITIES OF THE BOARD OF GOVERNORS**

**Supplementary Tables on Sub-Programs**

**1.1. ANNUAL MEETINGS<sup>1</sup>**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
<b>I. PERSONNEL EXPENSES</b>					
Direct costs	382	520	430	- 90	-17.3
Allocated costs of support staff	1,879	1,852	1,643	- 209	-11.3
<b>II. TRAVEL EXPENSES</b>					
Governors	1,432	1,220	1,780	560	45.9
Executive Directors and assistants	—	705	—	- 705	—
Staff	317	1,789	117	-1,672	-93.5
<b>III. OTHER ADMINISTRATIVE EXPENSES</b>					
Data Processing	62	65	25	- 40	-61.5
Other direct costs	731	570	855	285	50.0
Allocated office expenses of support staff	449	423	420	- 3	- 0.7
<b>TOTAL</b>	<b>5,252</b>	<b>7,144</b>	<b>5,270</b>	<b>-1,874</b>	<b>-26.2</b>
<b>B. Number of Paid Man-Years</b>	<b>35</b>	<b>33</b>	<b>33</b>	<b>—</b>	<b>—</b>

**1.2. INTERIM AND DEVELOPMENT COMMITTEES AND OTHER GROUPS<sup>1</sup>**

<b>A. Costs</b> (in thousands of U.S. dollars)					
<b>I. PERSONNEL EXPENSES</b>	252	165	171	6	3.6
<b>II. TRAVEL EXPENSES</b>					
Governors	66	95	105	10	10.5
Executive Directors and assistants	—	—	—	—	—
Staff	3	8	8	—	—
<b>III. OTHER ADMINISTRATIVE EXPENSES</b>	187	273	333	60	22.0
<b>TOTAL</b>	<b>508</b>	<b>541</b>	<b>617</b>	<b>76</b>	<b>14.0</b>
<b>B. Number of Paid Man-Years</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>—</b>	<b>—</b>

<sup>1</sup>Costs of the Annual Meetings, the Development Committee, and the Committee on Remuneration of Executive Directors and their Alternates are shared with the World Bank. Only the Fund's share is shown in these tables.



**FY 1990 BUDGET BY PROGRAM**

**2. ACTIVITIES OF THE EXECUTIVE BOARD**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	11,613	12,046	12,463	417	3.5
Other personnel expenses	4,890	5,421	4,725	-696	-12.8
Business travel	1,390	1,800	1,970	170	9.4
Other travel	1,540	1,401	1,300	-101	- 7.2
Data processing	674	709	437	-272	-38.4
Other administrative expenses	3,581	3,975	4,218	243	6.1
Total	23,688	25,352	25,113	-239	- 0.9
<b>B. Number of Paid Man-Years<sup>1</sup></b>	244	247	250	3	1.2
<b>C. Selected Indicators of Activity<sup>2</sup></b>					
Documents received	4,195	4,148			
Executive Board sessions	204	232			
Hours at sessions	483	529			
Decisions taken	614	629			

<sup>1</sup> Includes time of Executive Directors, their Alternates, Advisors, and assistants (192 man-years in FY 1988, 193 man-years in FY 1989, and 196 man-years in FY 1990).

<sup>2</sup> Indicators of activity are for calendar years 1987 and 1988.

This program covers the activities of the Executive Board. An exception is that travel costs relating to the Annual Meetings and to meetings of the Interim and Development Committees are charged to "Activities of the Board of Governors." It should also be noted that the costs of the program "Activities of the Executive Board" include the cost of administrative support provided to Executive Directors by staff. Consequently, the costs differ from those shown for the Executive Board on page 46 in the section "Budget by Unit of Organization." In that section, the costs of staff and other resources are shown against the units responsible for those resources, i.e., the cost of staff support to Executive Directors is shown against the departments of the staff concerned, and travel costs of Executive Directors to the Annual Meetings and to meetings of the Interim and Development Committees are shown against the Executive Board.

The Executive Directors are involved in review, discussion, and decision-making with regard to the 6 programs

which follow. In pursuit of these tasks, the Executive Directors met in 232 sessions in 1988 (204 in 1987), including formal Board meetings, informal sessions and seminars, and sessions as Committees of the Whole. In aggregate, these sessions amounted to 529 (483) hours, distributed as follows: policy matters 234 (187) hours, country items 244 (251) hours, administrative matters 25 (20) hours, Annual Report 14 (10) hours and miscellaneous 12 (15) hours. In addition, there were 17 (10) meetings of the Board's standing committees, ad hoc committees, and the Pension Committee. Executive Directors attended 12 (12) sessions of the Interim and Development Committees. A substantial number of Executive Directors also participated in 7 (13) sessions of the Group of Twenty-Four (Ministers and Deputies). In 1988, Executive Directors made 360 (362) business trips abroad and 41 (38) trips within the United States.



**FY 1990 BUDGET BY PROGRAM**

**3. GENERAL POLICY DEVELOPMENT AND RESEARCH**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	11,712	12,568	13,388	820	6.5
Other personnel expenses	6,826	6,515	6,046	-469	- 7.2
Business travel	548	658	723	65	9.9
Other travel	1,126	1,224	1,322	98	8.0
Data processing	1,854	1,127	804	-323	-28.7
Other administrative expenses	2,488	2,723	3,034	311	11.4
Total	24,554	24,815	25,317	502	2.0
<b>B. Number of Paid Man-Years</b>	239	266	270	4	1.5
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Policy papers for Board discussion	85	118			
Research papers	87	115			

<sup>1</sup>Indicators of activity are for calendar years 1987 and 1988.

This program covers the preparation and review of substantive policy related papers, the World Economic Outlook and other periodic reports, and research directed toward improving knowledge in particular areas of Fund interest, including studies on subjects that relate to individual countries. The major part of the work load in this area is carried by the Exchange and Trade Relations, Fiscal Affairs, Legal, Research, and Treasurer's Departments, in collaboration with other departments.

In CY 1988, the activities related to policy development remained at a high level. Work in the policy area included the production of 118 policy papers (85 in 1987). These papers were augmented by 25 (34) supplements and 3 (2) revisions. Among the policy issues absorbing considerable staff time in 1988 were the review of the Compensatory Financing Facility (CFF) and the design and establishment of the Compensatory and Contingency Financing Facility (CCFF); the operations of the Enhanced Structural Adjustment Facility (ESAF), including negotiation of borrowing agreements and aid coordination; the collaborative approach to resolving overdue financial obligations to the Fund; the Ninth General Review of Quotas; the role of the SDR, including the issue of resource transfers in the SDR system; international coordination of economic policies; the impact of Fund programs on the poor; and the design of Fund programs in developing countries. The work related to the debt strategy reached a new peak with the preparation of policy papers on managing financial risks in indebted developing countries, the menu approach for bank claims, multilateral official debt rescheduling and parallel lending. Trade issues received considerable attention, as did the issues of surveillance, conditionality, and Fund/Bank collaboration.

It is anticipated that this work load will continue in FY 1990. The major areas of concentration will include: (i) follow-up activities arising out of the April 1989 meetings of the Interim and Development Committees, particularly concerning the functioning and improvement of the international monetary system and adaptation to the debt strategy; the completion of the Ninth General Review of Quotas; and issues related to debt, including the preparation of a number of papers on innovations in international capital markets, analysis of various debt proposals, differential treatment being offered by the Paris Club, and on relations with export credit and aid agencies; (ii) the completion of the comprehensive review of conditionality, focusing on structural issues and supplemented by case studies; (iii) a review of the operational issues relating to the SAF, ESAF, and ESAF Trust, including their resources, access limits, conditionality and monitoring; and (iv) implementation of the collaborative approach for resolving overdue obligations to the Fund. Other policy issues in connection with the use of Fund resources will include the Fund's liquidity position and financing needs, a review of the burden sharing decision, an analysis of the policy on emergency assistance, a review of the enlarged access policy and access limits for 1990, and continued analysis of the SDR in the international monetary system, including the review of its method of valuation.

In CY 1988, the work related to the World Economic Outlook (WEO) included drafting 15 (14) papers in preparation for 10 (6) sessions of the Executive Board and the Interim Committee. During the year, a total of 53 (49) man-years of staff time, including 19 (18) man-years in the Research Department and 24 (24) man-years in the area departments, the Exchange and Trade Relations Department and the Fiscal Affairs Department, was devoted to this



### 3. GENERAL POLICY DEVELOPMENT AND RESEARCH

work at an estimated cost, including personnel and other administrative expenses, of \$5.8 million (\$5.6 million in 1987). In FY 1990, the program of work on the WEO will remain essentially unchanged and will focus on requests to provide in-depth analyses of the forecasting methodology, on extending the coverages of scenarios and on broadening the WEO analysis to include structural policies and other variables. In this context, an expansion in the support work of the G-7 is likely, particularly as it relates to the development of alternative policy scenarios. Reports on balance of payments, commodities, gold, exchange markets and exchange rate changes will also continue to be prepared on a periodic basis.

In CY 1988, the work related to research activities included the production of 115 (87) research papers. Some of the more significant papers related to capital markets developments, growth-oriented adjustment in developing

countries, questions of international economic interdependence, implications of the Uruguay Round for the Fund, and Islamic banking. During the coming year, emphasis will continue to be given to various issues arising in the context of reform of the international monetary system, policy coordination, and policies in the fiscal area which support both operational work and technical assistance.

Attendance at professional conferences and seminars continued to represent an important element of the Fund's research and analysis program by offering staff members an opportunity to keep abreast of developments in universities and other research institutions, and by allowing staff to disseminate the results of research studies produced in the Fund. During CY 1988, staff made 65 (74) trips abroad and 88 (78) trips within the United States in connection with attendance at professional conferences and seminars.



**FY 1990 BUDGET BY PROGRAM**

**4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	33,171	34,363	35,342	979	2.8
Other personnel expenses	21,029	19,616	17,529	-2,087	-10.6
Business travel	8,758	9,742	10,716	974	10.0
Other travel	3,197	3,428	3,555	127	3.7
Data processing	3,294	1,969	1,696	- 273	-13.9
Other administrative expenses	6,788	7,460	7,811	351	4.7
<b>Total</b>	<b>76,237</b>	<b>76,578</b>	<b>76,649</b>	<b>71</b>	<b>0.1</b>
<b>B. Number of Paid Man-Years</b>	661	678	705	27	4.0
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Consultation missions	137	130	140-145		
Use of resources missions combined with consultation missions above	(49)	(44)	(67)		
Additional use of resources missions	89	99	110		
<b>New arrangements</b>					
Stand-by and extended arrangements	11	17	29		
SAF and ESAF arrangements	13	14	38		
<b>Countries using Fund resources</b>	29	38	55		
<b>Papers on country operations<sup>2</sup></b>	268	268	329		

<sup>1</sup>Indicators of activity are for calendar years 1987, 1988, and 1989.

<sup>2</sup>Including reports on consultations discussions, recent economic developments, and requests for and reviews of Fund resources.

This program covers regular Article IV consultation missions and other country missions; use of the Fund's general resources; the SAF and ESAF; country work in connection with the SDR and administered accounts; and the general process of analyzing and keeping abreast of developments in member countries.

There were 130 Article IV consultation missions with member countries in 1988 (137 in 1987). Consultations continue to be an essential component of the Fund's work, providing a major instrument for Fund surveillance of members' policies in several key areas. Article IV consultations normally take place annually, but there can be longer intervals—up to two years—for some members, and shorter intervals may also be requested in some circumstances. In FY 1990, it is envisaged that regular annual consultations will continue to be held with members having Fund arrangements, members with potential balance of payments difficulties, and also larger countries. The number of countries on an annual cycle represent about 75 percent of the total membership. For the remaining 25 percent of members, a simplified interim consultation procedure (the so-called bi-

cyclic procedure) has been adopted, or a longer cycle (between 18-24 months) will be applied.

In 1988, there were 99 missions (89 in 1987) conducted solely for the discussion of the use of Fund resources. In addition, 44 (49) regular Article IV consultation missions (or 34 percent of the total) were also concerned with the use of Fund resources. A total of 183 (66) negotiations for the use of Fund resources was held at headquarters. The prospect for FY 1990 is that some additional arrangements may be concluded and that, in all, the number of countries with financial arrangements with the Fund may increase somewhat in view of the Structural Adjustment Facility (SAF), the Enhanced Structural Adjustment Facility (ESAF) and the Compensatory and Contingency Financing Facility (CCFF). In addition, the growing complexity in the negotiation process and the relative shift away from the SAF and toward the ESAF will increase the trend to more frequent periodic reviews.

In 1988, new stand-by arrangements became effective for 15 (11) member countries, while 21 (19) arrangements expired or were cancelled during the year. Thus, the num-



4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

STAFF WORK LOAD IN CONNECTION WITH THE SAF AND ESAF

Estimates prepared in conjunction with the Executive Board discussions preceding the establishment of the Structural Adjustment Facility (SAF) envisaged that the new facility would place significant additional demands on both the Board and the staff. Factors expected to contribute to this increase in the staff work load included the development of Fund policies and operational procedures, additional missions and related work at headquarters, intensified collaboration with the World Bank staff, and expanded contacts with other creditors and donors. On the assumption that about 40 countries would qualify for SAF arrangements, the minimum additional work load was projected at 20 professional staff years and 2 support staff years annually over a three-year period.

The actual staff resource costs associated with the SAF turned out to be substantially greater, due primarily to the detailed procedural requirements that were introduced, including the preparation of a policy framework paper (PFP) with the assistance of the staffs of the Fund and the World Bank working in close collaboration. In FY 1987, staff resource costs associated with the SAF accounted for 32 professional staff years and 8 support staff years, nearly twice the initial estimates and these figures have continued to increase in FY 1988 and FY 1989 with the introduction of the ESAF. Also contributing to the increase after FY 1987 was the fact that the first several SAF arrangements typically involved countries that had already begun to implement Fund-supported adjustment programs prior to the establishment of the SAF, while subsequent arrangements typically involved countries at an earlier stage of the adjustment process and thus required more prolonged discussions. For FY 1990, the staff resource costs associated with the SAF and ESAF are expected to rise further to 89 professional staff years and 18 support staff years, accounting for 5.3 percent of all Fund staff resources (see chart 1). The rise will result from an expected further increase in the total number of members with arrangements under either the SAF or ESAF; within this total a higher proportion of arrangements under the ESAF, which requires midyear reviews in almost all cases; and further efforts to strengthen the PFP process and the catalytic role of the PFP. At the same time, some relief on the need for staff resources is expected to be realized through efforts to streamline staff reports and midyear reviews and to continue the policy of combining SAF/ESAF missions with other missions wherever feasible and by exercising flexibility in the size and composition of missions.

The additional work load associated with the SAF and ESAF has fallen most heavily on the African Department, with missions to eligible member countries in Africa accounting for 67 percent of all SAF/ESAF related missions in FY 1986-88. The African Department is estimated to have provided 44 percent of the total staff resources devoted to SAF/ESAF issues in FY 1989 (see chart 2). Other departments providing large shares of staff resources for this purpose in FY 1989 included the Exchange and Trade Relations Department (11 percent), the Fiscal Affairs Department (10 percent), the Western Hemisphere Department (9 percent), and the Asian and Treasurer's Departments (7 percent each).

Chart 1  
Staff Resource Costs Associated with SAF/ESAF  
FY 1987-FY 1990  
(in man-years)

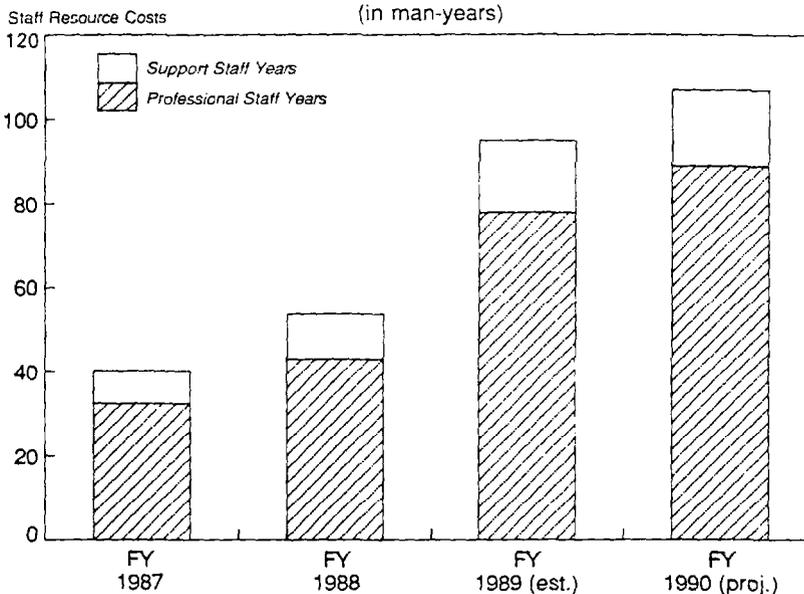
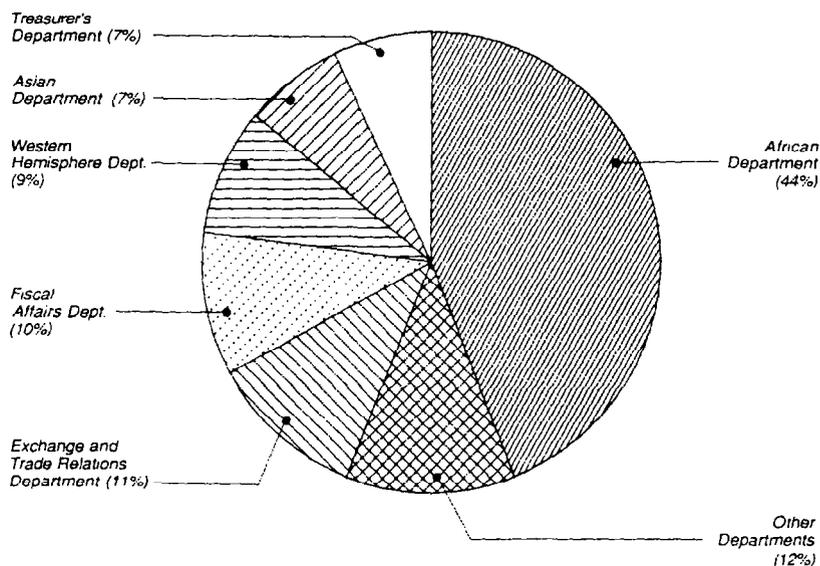


Chart 2  
SAF/ESAF Workload  
By Department, FY 1989





## FY 1990 BUDGET BY PROGRAM

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### 4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

ber of stand-by arrangements in effect at the end of 1988 decreased to 16 (22 at the end of 1987). The number of arrangements under the Extended Fund Facility remained at 2 at the end of 1988; one new arrangement became effective and one arrangement was cancelled during 1988. For the SAF, which was established in March 1986, 24 (22) SAF arrangements with the Fund were in effect at the end of 1988. On December 29, 1987, the ESAF was established, and at the end of 1988, 6 arrangements were in effect.

The total amount committed under the 48 (46) financial arrangements in effect at the end of 1988 was SDR 6.0 billion (SDR 12.3 billion at the end of 1987), with an undrawn balance of SDR 3.6 billion (SDR 6.1 billion) at the end of the year. The level of new commitments (SDR 4.3 billion) in 1988 contrasted with new commitments of SDR 3.4 billion in 1987. The number of countries that used the Fund's resources in 1988, excluding reserve tranche purchases, was 38 compared with 29 in 1987. Use of the Fund's resources was as follows: 21 (23) member countries made

drawings in the credit tranches under stand-by arrangements, 10 (6) drew under the Compensatory Financing Facility, 2 (2) drew under the Extended Financing Facility, 14 (18) drew under the Structural Adjustment Facility, 6 (0) drew under the Enhanced Structural Adjustment Facility, and 1 (1) drew under the emergency program.

The number of Fund resident representative and advisor posts budgeted for FY 1990 is 32, an increase of 5 posts over the present ceiling. The planned country assignments of positions are shown on page 95. In FY 1989, it is estimated that resident representatives and advisors will have spent 23 man-years in the field at a total cost to the Fund, including salaries, allowances, and travel and other expenses, of \$4.8 million. In FY 1990, it is estimated that there will be 26 man years in the field at a total cost to the Fund of \$5.4 million. It should be noted that part of the activities of resident representatives and advisors is related and charged to the program "Special Services to Member Countries," discussed on the next page.



**FY 1990 BUDGET BY PROGRAM**

**5. SPECIAL SERVICES TO MEMBER COUNTRIES**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	14,607	15,913	16,387	474	3.0
Other personnel expenses	10,004	9,778	9,582	-196	-2.0
Business travel	1,218	1,571	1,728	157	1.0
Other travel	3,775	3,961	4,199	238	6.0
Data processing	343	280	281	1	0.4
Other administrative expenses	2,937	3,368	3,683	315	9.4
Total	32,884	34,871	35,860	989	2.8
<b>B. Number of Paid Man-Years<sup>1</sup></b>	288	308	316	8	2.6
<b>C. Selected Indicators of Activity</b>					
Man-years of assistance by outside experts	89	104	108	4	3.8
IMF Institute participants trained <sup>2</sup>	490	522	510	-12	-2.3
Participant-weeks of training <sup>3</sup>	5,006	4,843	4,991	148	3.1

<sup>1</sup>Includes time of technical assistance experts.

<sup>2</sup>Indicators of activity are for calendar years 1987, 1988 and 1989.

<sup>3</sup>Excludes external training program.

This program covers the provision of technical assistance in the central banking, fiscal, and statistical fields. This work is performed by outside experts and Fund staff working at headquarters and in the field. In addition, assistance is provided through the training program of the IMF Institute, together with the program of special appointees.

In calendar year 1988, 113 (109) central banking expert assignments amounted to 74 (71) man-years of assistance to 54 countries and multinational institutions; and 69 (66) fiscal expert assignments amounted to 24 (20) man-years to 52 (40) countries. It is expected that a total of 108 man-years of assistance will be provided in FY 1990 (80 by central bank experts and 28 by fiscal experts), with up to 9 experts stationed at headquarters to allow greater flexibility in responding to short-term technical assistance needs.

There were 77 technical assistance missions conducted by staff in calendar year 1988, compared with 65 in 1987, carried out by the Fiscal Affairs, Central Banking, and Legal Departments, in collaboration with other concerned departments. Staff of the Bureau of Statistics undertook 68 visits (76 in 1987) to member countries and regional organizations to provide technical assistance in the various fields of statistics, as well as holding 1 regional statistical seminar (2 in 1987). In addition, 12 (13) officials from countries or regional organizations visited the Bureau for training in statistics. Some increase in the number of technical assistance missions is expected in FY 1990.

In CY 1988, the IMF Institute, in some cases with the cooperation of other departments, conducted 14 courses

(14 in 1987) covering the following topics: Techniques of Economic Analysis, Financial Analysis and Policy, Financial Programming and Policy, Balance of Payments Methodology, Public Finance, Government Finance Statistics, and Money and Banking Statistics. In addition, the Institute presented 3 (2) seminars at headquarters: 1 on Current Legal Issues Affecting Central Banks, 1 on Public Expenditure Management, and 1 on Central Banking. A total of 522 (490) participants attended the Institute programs, or an average of 31 (31) per program. The Institute also conducted 7 (2) external seminars in member countries on Financial Analysis and Programming. The program planned for FY 1990 encompasses 18 courses, including 4 courses which started in FY 1989, 3 seminars at headquarters for senior officials, and 7 external seminars.

The special appointees program provides supplementary training in Fund departments for former IMF Institute participants upon the request of their governments. A total of 5 special appointees were accommodated during the course of FY 1989. In FY 1990, provision will be made for 5 appointees, including 4 continuing from FY 1989.

The change between FY 1989 and FY 1990 in the cost of special services to member countries will result mainly from increases in the number and unit cost of outside experts. The direct cost to the Fund of an expert man-year is expected to rise from \$90,950 in FY 1989 to \$92,520 in FY 1990. In the IMF Institute, the cost per participant-day is expected to increase marginally from \$368 in FY 1989 to \$370 in FY 1990.



**FY 1990 BUDGET BY PROGRAM**

**5. SPECIAL SERVICES TO MEMBER COUNTRIES**

**Supplementary Tables on Sub-Programs**

**5.1. TECHNICAL ASSISTANCE EXPERTS**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
<b>I. PERSONNEL EXPENSES</b>					
Salaries of staff	1,325	1,360	1,196	-164	-12.1
Salaries of experts	4,966	5,900	6,150	250	4.2
Other personnel expenses of staff	779	740	554	-186	-25.1
Other personnel expenses of experts	2,099	2,256	2,459	203	9.0
Subtotal	9,169	10,256	10,359	103	1.0
<b>II. TRAVEL</b>					
Travel of staff	190	485	153	-332	-68.5
Travel of experts	1,207	1,295	1,365	70	5.4
Subtotal	1,397	1,780	1,518	-262	-14.7
<b>III. OTHER ADMINISTRATIVE EXPENSES</b>					
Data Processing	97	53	102	49	92.5
Other support costs	335	367	334	-33	-9.0
Subtotal	432	420	436	16	3.8
<b>NET TOTAL COSTS TO FUND</b>	10,998	12,456	12,313	-143	-1.1
Additional costs contributed by host countries <sup>1</sup>	1,500	1,730	1,800	70	4.0
<b>B. Number of Paid Man-Years</b>	115	128	133	5	3.9

**5.2. STAFF TECHNICAL ASSISTANCE<sup>2</sup>**

<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	4,031	4,211	4,540	329	7.8
Other personnel expenses	3,426	3,165	3,118	-47	-1.5
Business travel	946	1,019	1,407	388	38.1
Other travel	597	629	686	57	9.1
Data processing	—	—	—	—	—
Other administrative expenses	810	901	986	85	9.4
<b>TOTAL</b>	9,810	9,925	10,737	812	8.2
<b>B. Number of Paid Man-Years</b>	77	84	87	3	3.6

<sup>1</sup>Includes cash contributions and estimated value of free housing and local transportation facilities.

<sup>2</sup>Includes part of the cost of resident representatives and advisors.



FY 1990 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Supplementary Tables on Sub-Programs

5.3. IMF INSTITUTE TRAINING PROGRAM

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
A. <b>Costs</b> (in thousands of U.S. dollars)					
I. <b>PERSONNEL EXPENSES</b>					
Salaries of staff	4,285	4,442	4,500	58	1.3
Other personnel expenses of staff	2,634	2,377	2,147	-230	-9.7
Living allowances and other personnel expenses of participants	1,065	1,240	1,305	65	5.2
Subtotal	7,984	8,059	7,952	-107	-1.3
II. <b>TRAVEL EXPENSES</b>					
Travel of staff	539	623	641	18	2.9
Travel of participants	1,514	1,480	1,675	195	13.2
Subtotal	2,053	2,103	2,316	213	10.1
III. <b>OTHER ADMINISTRATIVE EXPENSES</b>					
Data Processing	246	227	179	-48	-21.1
Expenses attributable to staff	1,072	1,193	1,225	32	2.7
Expenses attributable to participants	721	907	1,138	231	25.5
Subtotal	2,039	2,327	2,542	215	9.2
<b>TOTAL</b>	12,076	12,489	12,810	321	2.6
B. <b>Number of Paid Man-Years</b>	96	96	96	—	—



**FY 1990 BUDGET BY PROGRAM**

**6. STATISTICAL SERVICES**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	4,952	5,218	4,978	- 240	- 4.6
Other personnel expenses	2,960	2,768	2,253	- 515	-18.6
Business travel	15	18	20	2	11.1
Other travel	442	472	435	- 37	- 7.9
Data processing	2,623	3,840	1,381	-2,459	-64.0
Other administrative expenses	2,087	2,240	2,303	63	2.8
<b>Total</b>	<b>13,079</b>	<b>14,556</b>	<b>11,370</b>	<b>-3,186</b>	<b>-21.9</b>
<b>B. Number of Paid Man-Years</b>	<b>111</b>	<b>108</b>	<b>107</b>	<b>- 1</b>	<b>- 0.9</b>
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Statistical time series maintained (thousand)	980	1,100	1,200	100	9.1
Countries and entities for which data are maintained	189	189	189	—	—
Countries with an IFS page	137	141	143	2	1.4
Statistical volumes published	43	43	42	- 1	-2.3

<sup>1</sup>Indicators of activity are for calendar years 1987, 1988 and 1989.

This program covers the development, collection, and maintenance of the Fund's statistical data base and the preparation of the Fund's statistical publications. The provision of technical assistance in statistics to member countries is not included here, but is shown under the program "Special Services to Member Countries".

In the statistical program, increased attention was given to meeting the growing demands for support of area department work. In addition, the work of the Bureau of Statistics included participation in the program to revise the United Nations' *A System of National Accounts (SNA)*, while work continued on the development of a comprehensive framework of international banking and external debt statistics. The number of time series maintained in the Economic Information System (EIS), covering statistics on 189 countries and entities (189 in 1987), increased to 1,100,000 series, from 980,000 in 1987. As an outgrowth of efforts to improve the EIS data base, particularly concerning the discrepancy in world current account balances, balance of payments aggregates became available for the first time for international organizations; further efforts were also made

to obtain a geographic breakdown of data on investment income and unrequited transfers, and estimates were prepared for the balance of payments of non-member Eastern European countries.

In FY 1990, the Bureau of Statistics will continue to place emphasis on improving the currentness, coverage and quality of country data in the EIS. The statistical services work program in FY 1990 will also include increased efforts to integrate the development of country, regional and global data with data bases maintained by area and other departments, as part of the initiative to reduce duplicative reporting and data maintenance. In conjunction with other participating international organizations, the Bureau of Statistics will participate in the final phases of the revision of the *SNA* beginning in FY 1990, with the Fund participating in several expert group meetings. The first complete draft of the revised *SNA* document is expected for release in the coming financial year.

Included in the statistical program are four statistical publications: *International Financial Statistics*, *Direction of Trade Statistics*, *Balance of Payments Statistics*, and *Govern-*



## 6. STATISTICAL SERVICES

*ment Finance Statistics*. These publications, which are based on data held in the EIS, are also available for sale in electronic form via computer tapes. A survey of users of Fund statistical publications was undertaken in FY 1989 with the assistance of an outside consulting firm. Its recommendations will form the basis for changes to be made over

the next several years in the content, frequency, and pricing of Fund statistical publications, as well as in methods of disseminating Fund statistics. In FY 1990, it is planned to publish 1 supplement to *International Financial Statistics* (2 in previous years), as well as the usual periodic statistical publications mentioned above.

### AN OVERVIEW OF THE FUND'S STATISTICAL METHODOLOGIES

A central element of the work of the Bureau of Statistics is the continual refinement of statistical methodologies in those areas of economic and financial statistics which are of particular interest to the Fund. Consistent with the framework of the United Nations' *A System of National Accounts (SNA)*, the Fund has developed methodologies for the compilation of statistics on balance of payments accounts, government finances and monetary and financial accounts. The Fund's *Balance of Payments Manual* was first issued in 1948; the current edition, the fourth, was issued in 1977. A draft of *A Manual on Government Finance Statistics* was issued in 1974; following a number of years of review, the first edition of the *Manual* was issued in final form in 1986. A draft *Guide to Money and Banking Statistics in IFS* was issued in 1986.

Within the Bureau there is a need to ensure that the analytic framework of the statistical systems is continually adapted to changes in underlying economic and financial conditions. Thus, classification schemes and compilation methods are dynamic in character. The analytic framework is formalized in the manuals and guides which explain the fundamental principles and stipulate the appropriate compilation procedures. In other areas of statistics, while official texts have not been issued, well defined procedures govern decisions relating both to conceptual issues and practical compilation matters.

The work on methodologies also involves close cooperation with other international and regional organizations engaged in statistical activities concerning the economic and financial sectors. In this connection, Bureau staff participate in international meetings covering relevant areas of statistics and frequently present papers on pertinent topics. Such involvement is well illustrated by the Bureau's major commitment to the current revision of the *SNA* in connection with which the Fund has hosted three expert group meetings. In addition to the preparation of papers for these and other expert group meetings, Bureau staff are actively involved in commenting on the draft text of the revised *SNA*.



**FY 1990 BUDGET BY PROGRAM**

**6. STATISTICAL SERVICES**

**Supplementary Tables on Sub-Programs**

**6.1. DEVELOPMENT AND COLLECTION OF STATISTICAL DATA**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	3,860	4,071	3,764	- 307	- 7.5
Other personnel expenses	2,333	2,186	1,727	- 459	- 21.0
Business travel	15	18	20	2	11.1
Other travel	338	361	316	- 45	- 12.5
Data processing	1,807	3,028	1,015	- 2,013	- 66.5
Other administrative expenses	784	869	824	- 45	- 5.2
<b>Total</b>	<b>9,137</b>	<b>10,533</b>	<b>7,666</b>	<b>- 2,867</b>	<b>- 27.2</b>
<b>B. Number of Paid Man-Years</b>	<b>85</b>	<b>82</b>	<b>79</b>	<b>- 3</b>	<b>- 3.7</b>

**6.2. STATISTICAL PUBLICATIONS**

<b>A. Costs</b> (in thousands of U.S. dollars)					
Personnel expenses	1,719	1,729	1,740	11	0.6
Contractual printing	1,242	1,325	1,415	90	6.8
Postage	558	490	501	11	2.2
Data processing	816	812	366	- 446	- 54.9
Other costs	375	412	452	40	9.7
<b>Total Gross Cost</b>	<b>4,710</b>	<b>4,768</b>	<b>4,474</b>	<b>- 294</b>	<b>- 6.2</b>
Less Sales Income	- 768	- 745	- 770	- 25	3.4
<b>TOTAL NET COST</b>	<b>3,942</b>	<b>4,023</b>	<b>3,704</b>	<b>- 319</b>	<b>- 7.9</b>
<b>B. Number of Paid Man-Years</b>	<b>26</b>	<b>26</b>	<b>28</b>	<b>2</b>	<b>7.7</b>

**FURTHER ANALYSIS BY INDIVIDUAL PUBLICATIONS**

<b>Costs</b> (in thousands of U.S. dollars)					
International Financial Statistics	2,920	2,493	2,641	148	5.9
Direction of Trade Statistics	397	405	437	32	7.9
Balance of Payments Statistics	516	853	813	- 40	- 4.7
Government Finance Statistics	877	1,017	583	- 434	- 42.7
<b>Total Gross Cost</b>	<b>4,710</b>	<b>4,768</b>	<b>4,474</b>	<b>- 294</b>	<b>- 6.2</b>
<b>Sales Income</b> (in thousands of U.S. dollars)					
International Financial Statistics	- 637	- 625	- 640	- 15	2.4
Direction of Trade Statistics	- 57	- 55	- 60	- 5	9.1
Balance of Payments Statistics	- 50	- 45	- 50	- 5	11.1
Government Finance Statistics	- 24	- 20	- 20	-	-
<b>Total Income</b>	<b>- 768</b>	<b>- 745</b>	<b>- 770</b>	<b>- 25</b>	<b>3.4</b>
<b>TOTAL NET COST</b>	<b>3,942</b>	<b>4,023</b>	<b>3,704</b>	<b>- 319</b>	<b>- 7.9</b>



FY 1990 BUDGET BY PROGRAM

7. INFORMATION AND EXTERNAL RELATIONS

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	7,004	6,985	7,184	199	2.8
Other personnel expenses	4,036	3,686	3,258	- 428	-11.6
Business travel	835	932	1,025	93	1.0
Other travel	730	757	851	94	12.4
Data processing	244	402	250	- 152	-37.8
Other administrative expenses	3,448	4,216	4,827	611	14.5
Total	16,297	16,978	17,395	417	2.5
<b>B. Number of Paid Man-Years</b>	145	143	143	—	—
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Information services					
Enquiries from general public	51,750	61,250	65,000	3,750	6.1
Visitors under visitors program	29,500	34,800	40,000	5,200	14.9
Press seminars, conferences, briefings	59	81	90	9	11.1
Non-statistical publications					
Pages edited and published	12,096	12,454	12,000	- 454	- 3.6
Volumes/issues published	224	238	230	- 8	- 3.4
Meetings of other international organizations attended by:					
Headquarters staff	112	92	105	13	14.1
Paris and Geneva staff	332	288	301	13	4.5
Fund-Bank mission collaboration					
Bank missions including Fund staff	21	27	30	3	11.1
Fund missions including Bank staff	7	13	15	2	15.4
Joint Fund-Bank missions	1	2	3	1	50.0

<sup>1</sup>Indicators of activity are for calendar years 1987, 1988 and 1989.

This program includes the Fund's non-statistical publications; various information services, such as press conferences, press releases, press briefings, speeches, lectures, and seminars; and representation at meetings of international and regional organizations, reporting on the work of these organizations, and providing assistance when requested. Liaison work which is directly connected with other budget programs is considered part of those programs and is not included here.

The Fund's non-statistical publications program has a number of components. First, there are official reports and records, such as the *Annual Report of the Executive Board*, *Summary Proceedings*, the *Annual Report on Exchange Arrangements and Exchange Restrictions*, and *Selected Decisions of the International Monetary Fund*. Second, there are 3 other periodic publications, the *IMF Survey*, *Finance & Development*, and *Staff Papers* which describe and record Fund activities and its research efforts. A third component is the publication of books on matters of concern to the Fund and various miscellaneous publications, such as statistical manuals, reprints of the *Articles of Agreement*, revised editions of the *By-Laws, Rules and Regulations*, the *World Economic and Financial Surveys (WEFS)* series, compris-

ing topical staff studies of a periodic nature, and a series of *Occasional Papers*, of which 8 were published during the year. Added to this group in 1988 was a new pamphlet series, the EXRPs, designed to explain the Fund's policies and activities to a broader audience in less technical language.

Included in the WEFS series were the 1988 *World Economic Outlook* and its supplement, studies on primary commodities, export credits, and international capital markets. Books published in 1988 include *The Relevance of Supply-Side Tax Policy to Developing Countries* and *The Value-Added Tax*; a third book, *Economic Development in Seven Pacific Island Economies* was in printing at year end. Also published were the proceedings of 4 seminars. Publications planned for FY 1990 include a study of *Analytical Issues in Debt*, analyses of fiscal policies and central banking in developing countries and a fourth volume of *The Fund Agreement in the Courts*. Also due for release are 4 or 5 seminar volumes, 6 papers in the WEFS series, 8 *Occasional Papers* and 6 EXRPs together with a number of leaflets.

In 1988, the External Relations Department organized 81 press conferences and briefings (59 in 1987), and produced 108 (93) press releases along with 98 (121) short seminars



7. INFORMATION AND EXTERNAL RELATIONS

at headquarters for groups of visitors. In addition to the 14 (10) information missions conducted in 1988 during which 1,200 (675) journalists were contacted, 3 overseas seminars (Germany, Italy and the United Arab Emirates) were organized for nonofficials. In FY 1990, greater emphasis will be placed on improving the public understanding of Fund policy, particularly the recent innovations in the SAF, ESAF, and CCFF. A strengthened public affairs program will be implemented, designed to promote public support of a quota increase. The Office of the UN Representative will assist the U.N. in its programmed study on commodity problems in Africa, the expanded program on the review of the UNPAAERD, and the acceleration of work in connection with the Inter-Ministerial Conference on the Least Developed Countries. Information activities to improve the public perception of the Fund in sub-Saharan Africa and other major countries of the continent will be enhanced through an information officer stationed in the Paris Office. Special attention will be paid to increased information needs in Japan and other Asian countries, as well as in centrally-planned economies. A number of filmed case studies of country programs supported by the Fund will be developed and work is scheduled to commence on a new general film on the Fund. Supporting these new initiatives are the traditional programs including the press seminar series, of which 7 are scheduled for FY 1990 (2 each in Africa and Latin America and one each in Asia, Europe and in the United States), press conferences and briefings in connection with the Managing Director's travel and meetings of the Board of Governors and its committees, and 4 seminars for nonofficials in Mexico, Malaysia, Belgium and possibly one other country.

Close contact is maintained with the World Bank in connection with this program. As part of this activity, 72 (63 in 1987) Fund staff attended Bank Board Meetings involving

60 (56) agenda items and participated in 27 Bank missions in calendar year 1988 (21), and 133 (125) Bank staff attended Fund Board meetings involving 118 (115) agenda items and participated in 13 (7) Fund missions. In FY 1990, collaboration between the Fund and the World Bank will intensify as the two institutions expand their respective lending activities in support of structural adjustment programs.

In calendar year 1988, 92 (112) staff at headquarters attended meetings of the United Nations and various other international and regional organizations (excluding meetings directly related to country matters). Reports on these meetings were prepared for departments, management, and the Executive Board.

Staff in the Office in Europe attended 176 (168) meetings of international organizations, including the OECD, the EC, and the BIS, and prepared 145 (134) reports. In FY 1990, attention to macroeconomic, structural, and regional policies and developments, debt problems, aid matters, finance and trade issues, along with work on G-10 Secretariat matters, recruitment and technical assistance will take up the bulk of the staff's time.

The Office in Geneva follows developments in organizations such as the GATT, the UNCTAD, the ECE, the ILO, and the UNDP. In calendar year 1988, the staff in Geneva attended 112 (164) meetings and prepared 96 (128) reports dealing mainly with GATT and UNCTAD activities. In FY 1990, trade negotiations under the Uruguay Round are likely to continue. Within this context, special priority will be given to the specific groups and committees established under the Round and to the coordination of trade and macroeconomic policy between GATT and the Fund at the specific country level. The UNCTAD and the ILO will also require continued coordination as these two institutions will remain active in the areas of adjustment, compensatory financing, debt, commodities, structural change and employment.



**FY 1990 BUDGET BY PROGRAM**

**7. INFORMATION AND EXTERNAL RELATIONS**

**Supplementary Tables on Sub-Programs**

**7.1. NON-STATISTICAL PUBLICATIONS**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Personnel expenses	4,436	4,296	3,795	-501	-11.7
Contractual printing	1,513	1,736	1,975	239	13.8
Postage	1,006	1,286	1,290	4	0.3
Data processing	109	252	149	-103	-40.9
Other costs	856	1,190	1,536	346	29.1
Total Gross Cost	7,920	8,760	8,745	- 15	- 0.2
Less Sales Income	- 847	- 996	-1,230	-234	23.5
<b>TOTAL NET COST</b>	<b>7,073</b>	<b>7,764</b>	<b>7,515</b>	<b>-249</b>	<b>- 3.2</b>
<b>B. Number of Paid Man-Years</b>	68	61	59	- 2	- 3.3

**FURTHER ANALYSIS BY INDIVIDUAL PUBLICATION**

<b>Costs</b> (in thousands of U.S. dollars)					
Annual Report of the Executive Board	700	789	751	- 38	- 4.8
Annual Report on Exchange Arrangements and Exchange Restrictions	303	322	302	- 20	- 6.2
Staff Papers	335	362	382	20	5.5
IMF Survey	2,161	2,216	1,916	-300	-13.6
Finance & Development <sup>1</sup>	984	813	780	- 33	- 4.1
Other publications <sup>2</sup>	3,437	4,242	4,614	372	8.8
Total Gross Cost	7,920	8,744	8,745	1	—
<b>Sales Income</b> (in thousands of U.S. dollars)					
Annual Report on Exchange Arrangements and Exchange Restrictions	- 26	- 35	- 40	- 5	14.3
Staff Papers	- 40	- 35	- 45	- 10	28.6
IMF Survey	- 53	- 45	- 55	- 10	22.2
Other publications <sup>2</sup>	- 728	- 881	-1,090	-209	23.7
Total Income	- 847	- 996	-1,230	-234	23.5
<b>TOTAL NET COST</b>	<b>7,073</b>	<b>7,748</b>	<b>7,515</b>	<b>-233</b>	<b>- 3.0</b>

<sup>1</sup>Joint publication with the World Bank. Only the Fund's costs are shown.

<sup>2</sup>Including Summary Proceedings, Selected Decisions of the IMF, Articles of Agreement, By-Laws, Rules and Regulations, IMF Directory, Fund History, World Economic and Financial Surveys series, including WEO, proceedings of the Seminar Series, and various miscellaneous items.



**FY 1990 BUDGET BY PROGRAM**

**7. INFORMATION AND EXTERNAL RELATIONS**

**Supplementary Tables on Sub-Programs**

**7.2. EXTERNAL RELATIONS**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	2,664	2,600	2,889	289	11.1
Other personnel expenses	1,511	1,365	1,294	- 71	- 5.2
Business travel	645	704	775	71	10.1
Other travel	173	183	206	23	12.6
Data processing	7	38	12	- 26	-68.4
Other administrative expenses	715	744	822	78	10.5
<b>Total</b>	<b>5,715</b>	<b>5,634</b>	<b>5,998</b>	<b>364</b>	<b>6.5</b>
<b>B. Number of Paid Man-Years</b>	<b>44</b>	<b>48</b>	<b>50</b>	<b>2</b>	<b>4.2</b>

**7.3. OTHER INFORMATION SERVICES<sup>1</sup>**

<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	1,547	1,582	1,700	118	7.5
Other personnel expenses	882	828	764	- 64	- 7.7
Business travel	177	212	233	21	9.9
Other travel	301	291	387	96	33.0
Data processing	128	112	14	- 98	-87.5
Other administrative expenses	474	555	784	229	41.3
<b>Total</b>	<b>3,509</b>	<b>3,580</b>	<b>3,882</b>	<b>302</b>	<b>8.4</b>
<b>B. Number of Paid Man-Years</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>—</b>	<b>—</b>

<sup>1</sup>Press conferences, press releases, press briefings, speeches, lectures, and seminars.



**FY 1990 BUDGET BY PROGRAM**

**8. GENERAL SUPPORT SERVICES**

	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
<b>A. Costs</b> (in thousands of U.S. dollars)					
Salaries	19,531	20,237	18,918	-1,319	- 6.5
Other personnel expenses	9,765	9,114	7,673	-1,441	-15.8
Business travel	288	380	418	38	10.0
Other travel	1,255	1,390	1,322	- 68	- 4.9
Data processing	6,706	6,018	8,826	2,808	46.6
Other administrative expenses	11,957	6,976	7,072	97	1.4
Total	49,502	44,115	44,229	114	0.3
<b>B. Number of Paid Man-Years</b>	511	536	512	- 24	- 4.5
<b>C. Selected Indicators of Activity<sup>1</sup></b>					
Staff recruited	820	906	950	44	4.8
Staff enrolled in training courses	2,072	2,501	2,605	104	4.2
EDP workstations	2,490	2,953 <sup>2</sup>	3,060	107	3.6
Travel authorizations processed	4,665	5,038	5,050	12	0.2
Purchase orders written	2,600	3,600	4,000	400	11.1
Pieces of mail handled (thousands)	1,781	1,820	1,911	91	5.0
Cables processed (thousands)	170	164	172	8	4.9
Books and periodicals loaned	52,900	60,500	63,000	2,500	4.1
Words translated (thousands)	10,747	10,636	11,200	564	5.3

<sup>1</sup>Indicators of activity are for calendar years 1987, 1988 and 1989.

<sup>2</sup>Includes 1,753 microcomputers, 740 terminals, and 460 word processors.

This program includes activities in the areas of budget, personnel, building services, graphics, transportation, certain automated data processing, documents, archives, communications, accounts, payroll and other payments, audit, management of SRP investments, the Joint Library, and translation and interpretation services. Support work directly connected with other programs is counted as part of those programs and not as part of this one.

In general, the volume of support services provided continued to rise in 1988, partly in response to a number of special factors. During the year, there was a considerable amount of work time spent on the recommendations of the Joint Committee on Compensation, as well as on the proposed Administrative Tribunal. Major projects during the year included the move of the Joint Library to International Square, reviews of the pension plan, leave policies, merit pay policy, performance evaluation, language training programs, staff mobility and the recruitment and retention experience in the Economist Program. The External Audit Committee received extensive support, and 46 audit reports were prepared. The Fund-wide increase in work load was reflected in a 2 percent increase in the volume of mail handled, a 37 percent increase in the number of facsimile pages processed and a 21 percent increase in the number of

courier shipments despatched. Although the volume of translation output was almost identical to that of 1987, the work load for interpretation increased by 17 percent during this period.

In the area of data processing, the focus of the development program was on projects that facilitated the country and economic work of the Fund. A number of enhancements were made to the analytical and data management portions of the Economist's Workstation (EWS), and considerable resources were devoted to assisting economists with the conversion of country data to the EWS environment. The development of facilities to enable desk economists to access and more easily identify time series contained in the Economic Information System (EIS) was continued. The program of revamping the current World Economic Outlook (WEO) system continued; definitions of a development approach were agreed upon and limited prototyping commenced. A centralized property administration system was completed and the Repurchase/Repayment system was automated. Work continued in the IMF Institute to automate the management of participants' applications and to facilitate translation and transcription services in the Bureau of Language Services. In the production area, progress was made toward the objectives of reducing peak load produc-



## FY 1990 BUDGET BY PROGRAM

### 8. GENERAL SUPPORT SERVICES

tion-related problems and improving work performance through the implementation of a new organizational structure. In addition, the consolidation of two data centers into a new location has resulted in lower equipment costs and higher operating efficiencies.

In FY 1990, the volume of general support services is expected to continue to expand. A major task will be the implementation of the recommendations emanating from the Joint Committee on Compensation, as well as the possible establishment of an Administrative Tribunal. Other work will include studies associated with the 1990 Compensation Survey, the quadrennial benefits survey, the pension plan, travel allowances, and the tax reimbursement system. The recent introduction of tax legislation (Internal Revenue Code, Section 89) which affects several Fund benefits plans may also require substantial efforts and expense. Work will continue on the revision of several GAOs, as well as the review of a number of other policies. The relocation of a large number of staff into the area vacated by the Joint

Library on the Concourse Level, work on the extension to the headquarters building, and the acquisition and preparation of additional temporary leased office space, will be the primary focus of the building alterations plan in FY 1990. Work in the budget field will focus on increasing departmental accountability for spending decisions. In the communications area, the volume of Fund correspondence (particularly the use of facsimile transmission, which has tripled since CY 1986) is expected to continue to increase. The audit plan will continue the gradual shift in emphasis from financial audits to other areas (EDP systems reviews and administrative reviews) with 49 audit reports expected to be produced. In the data processing area, the deferral of a number of development projects will allow for an overall reduction of 2.8 percent in the FY 1990 EDP budget; however, development will continue on a variety of projects including the redesign of the payroll and WEO systems, and the continued expansion of the Economist Workstation project.

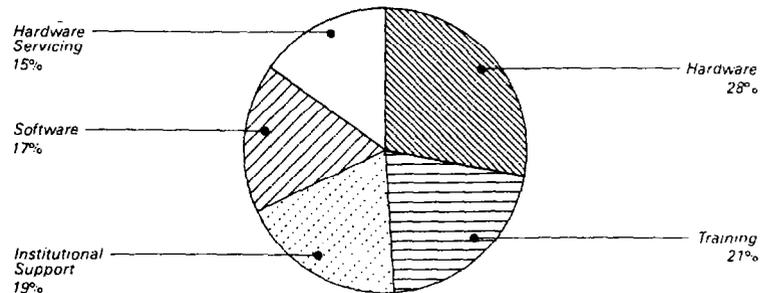
The cost of purchasing desktop and portable microcomputers and the standard set of associated software, i.e., word processing, spreadsheet, data management, print utility, and disk management software (including upgrades), has averaged close to \$6,300 over the last year. However, when the expense of hardware maintenance, institutional support, and training of staff is included, the total cost more than doubles to \$14,000 (\$16,250 when portables are excluded). Assuming a life cycle of five years, the annual average cost is \$2,800 (\$3,250). The chart illustrates the distribution of these costs.

Institutional support includes the evaluation of microcomputer hardware and software, development of Fund-wide microcomputer standards, and the operation of the Information Center for Computer Systems, which offers troubleshooting and consulting assistance to microcomputer users throughout the Fund, coordinates hardware and software upgrades, delivers and installs software, and performs a variety of other support services. These costs, which amount to \$922,000 annually, or \$527 per machine when distributed across 1,750 machines, represent 19 percent of the annual cost per unit.

Hardware servicing costs include hardware servicing costs include maintenance contracts with outside vendors for specialized equipment; assembly, testing and installation of microcomputers and peripherals; diagnostic and repair services; moving of equipment; configuration changes and upgrades. The annual cost to the Fund is approximately \$750,000 and the cost per unit is \$429, or 15 percent of the total cost.

Training costs comprise those costs associated with the training of end users in the use of microcomputers and standard software applications. Included are the costs of curriculum development, training materials and equipment, instructors, and the opportunity costs of staff time spent in microcomputer classes. The annual cost per unit for training is \$597 or 21 percent of the total cost.

The Cost of Purchasing and Supporting a Microcomputer





# FY 1990 BUDGET BY PROGRAM

## 8. GENERAL SUPPORT SERVICES

### TRAINING PROGRAMS

Training expenses are estimated at \$1,177,000 in FY 1989, excluding the cost of staff time, materials, and EDP but including \$164,000 in travel costs. Chart 1, which illustrates the breakdown of expenses by program, highlights the importance of the language and in-service training programs as the major users of training dollars. Chart 2 shows the upward trend in staff participation in the training programs over the last nine calendar years, excluding Human Resource Seminars and the activities of the Career Development and Learning Center.

Participation in the In-Service Training Program has increased steadily over the last few years particularly as a result of a strong rise in the mid 1980s in technology training. Technology training, while levelling off, continues to account for the largest share of staff participation (45 percent of the participation during CY 1988) but at a low cost per person trained (\$37 per person).

Participation in language training has remained steady over the last few years. The Fund continues to meet the language training needs of staff and has supported many employees who wish to acquire a second language for use in their current position or to prepare for another assignment. New programs have been developed this year to increase the effectiveness of language training, including intensive training and in-house group classes.

Participation in the Individual Study Programs (for example sabbatical leave) has also remained constant over the last few years and no major changes are envisaged.

Participation in the External Training Program has increased steadily in recent years but is also expected to level off in the period ahead.

The External Assignments Program under which staff members may be seconded to

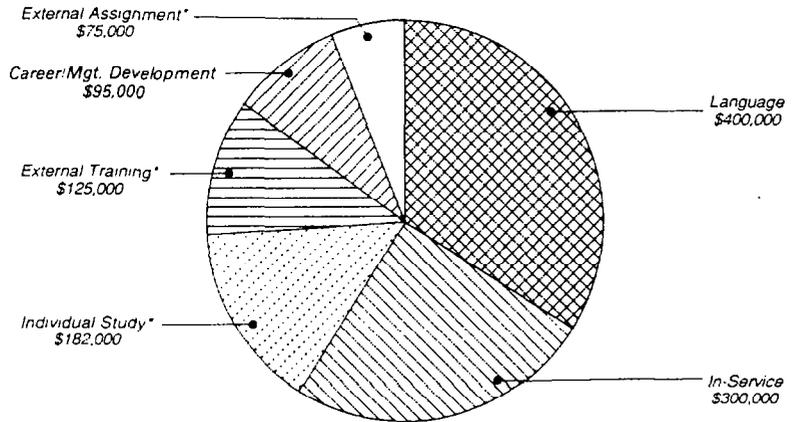
member governments or other organizations is seen as an important mobility vehicle for the Fund staff. The program continues to attract a number of staff and participation in CY 1988 was the highest to date with 11 staff members active under this program.

A few years ago, the Management Development Program was introduced to strengthen managerial skills in the organization; to date, 155 staff members have attended. Management and organizational development consultation has become an important follow-up component of this program, as well as providing an important ser-

vice to supervisors on a Fund-wide basis for major development and organizational projects.

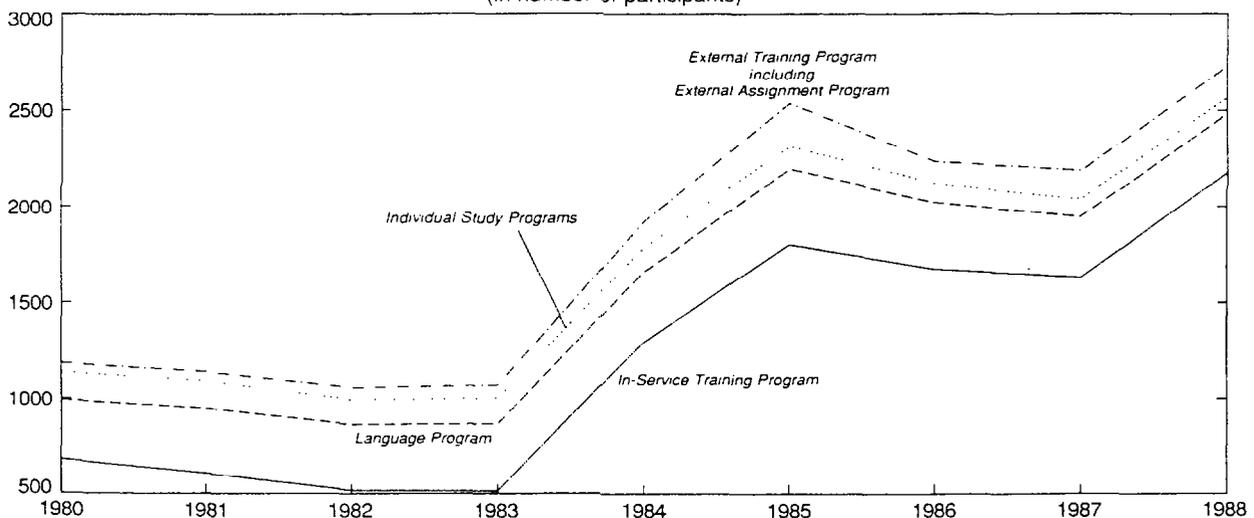
The Learning Center, which contains self-instructional materials, was established in 1986 for the purpose of providing staff with a means of obtaining skills and knowledge in areas not covered by other training programs. It was expanded in FY 1989 into a Career Development and Learning Center in which staff can pursue a structured career planning process. The Center was used by 650 staff members during CY 1988.

Chart 1  
Estimated Distribution of Training Expenses in FY 1989



\*These figures include travel

Chart 2  
Participation in Training Programs CY 1980-88<sup>1</sup>  
(in number of participants)

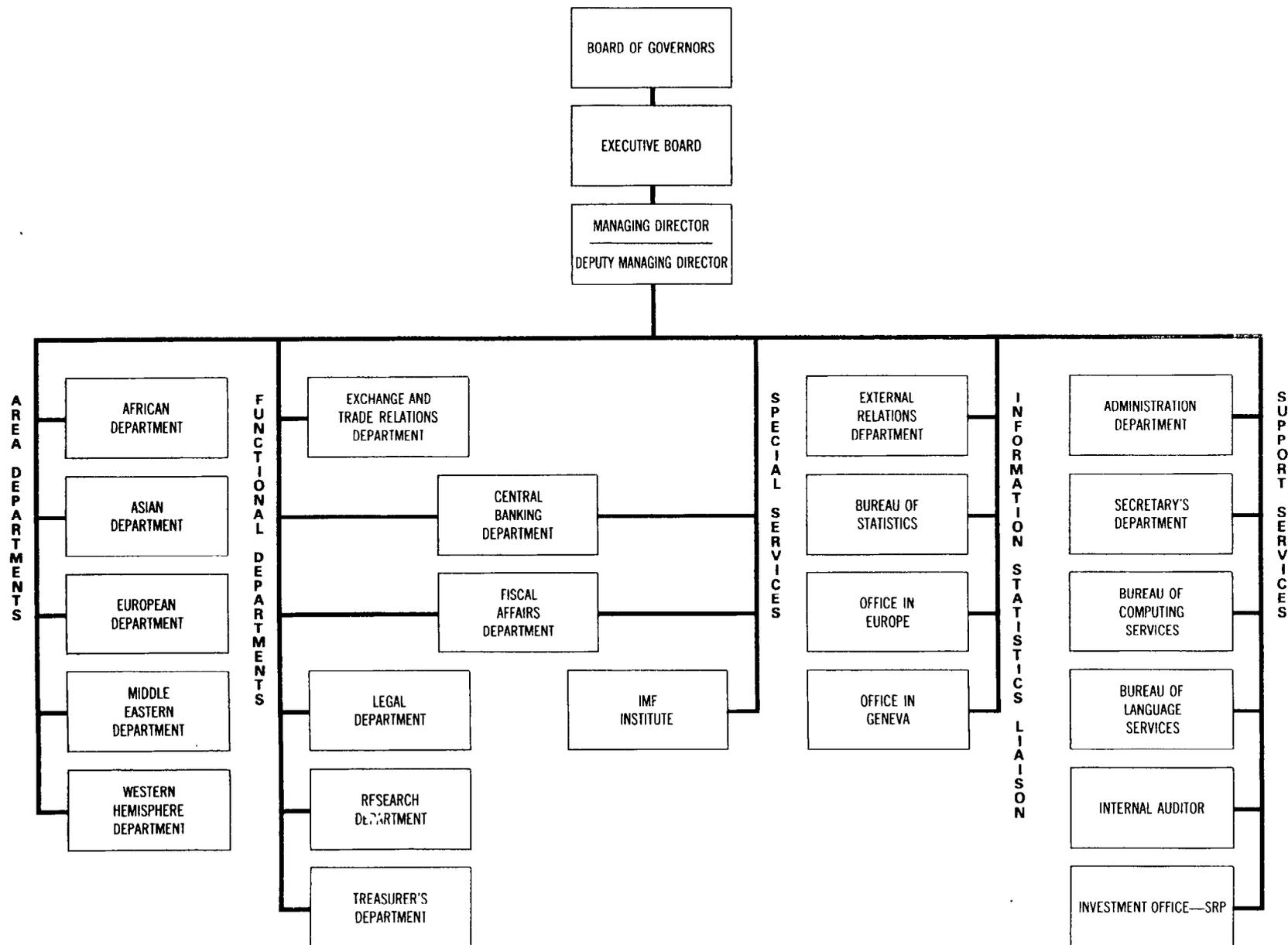


<sup>1</sup>Excludes participation in Human Resource Seminars and Career Development and Learning Center



INTERNATIONAL MONETARY FUND

CHART OF ORGANIZATION





**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**ESTIMATED COST OF EACH UNIT OF ORGANIZATION<sup>1</sup>**

(In thousands of U.S. dollars)

Unit of Organization	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 <sup>2</sup> Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
Board of Governors <sup>3</sup>	3,067	2,810	3,635	825	29.4
Executive Board	19,971	22,391	21,439	- 952	- 4.3
Management	1,858	1,999	1,728	- 271	-13.6
<b>Area Departments</b>					
African Department	18,844	18,839	19,440	601	3.2
Asian Department	9,610	9,980	9,806	- 174	- 1.7
European Department	9,934	10,209	9,957	- 252	- 2.5
Middle Eastern Department	6,144	6,192	6,143	- 49	- 0.8
Western Hemisphere Department	13,209	14,074	13,975	- 99	- 0.7
Subtotal	57,741	59,294	59,321	27	0.1
<b>Functional &amp; Special Service Departments</b>					
Central Banking Department	9,202	9,891	10,176	285	2.9
Exchange & Trade Relations Department	10,849	11,099	11,243	144	1.3
Fiscal Affairs Department	12,167	13,209	13,544	335	2.5
IMF Institute <sup>3</sup>	9,945	10,473	10,690	217	2.1
Legal Department	3,542	3,840	3,842	2	0.1
Research Department	9,649	10,319	9,983	- 336	- 3.3
Treasurer's Department	13,074	13,204	12,881	- 323	- 2.4
Subtotal	68,428	72,035	72,359	324	0.4
<b>Information, Statistics &amp; Liaison</b>					
External Relations Department <sup>3</sup>	7,878	8,788	9,042	254	2.9
Bureau of Statistics <sup>3</sup>	14,812	16,876	13,775	-3,101	-18.4
Office in Europe	2,397	2,220	2,124	- 96	- 4.3
Office in Geneva	1,085	975	972	- 3	- 0.3
Subtotal <sup>1</sup>	26,172	28,859	25,913	-2,946	-10.2
<b>Support Services</b>					
Administration Department <sup>3</sup>	20,280	20,854	19,305	-1,549	- 7.4
Secretary's Department <sup>3</sup>	9,646	9,931	8,856	-1,075	-10.8
Bureau of Computing Services <sup>3</sup>	19,181	15,590	18,727	3,137	20.1
Bureau of Language Services	8,740	9,393	8,786	- 607	- 6.5
Internal Auditor	1,199	1,316	1,272	- 44	- 3.3
Investment Office—SRP	5,718	478	479	1	0.2
Subtotal	64,764	57,562	57,425	- 137	- 0.2
<b>Total</b>	<b>242,001</b>	<b>244,950</b>	<b>241,820</b>	<b>- 3,130</b>	<b>- 1.3</b>

<sup>1</sup> The cost of the 2 support units has been distributed among the units of the organization on the basis of current and anticipated assignments of resident representatives and usage of secretarial support unit staff, respectively.

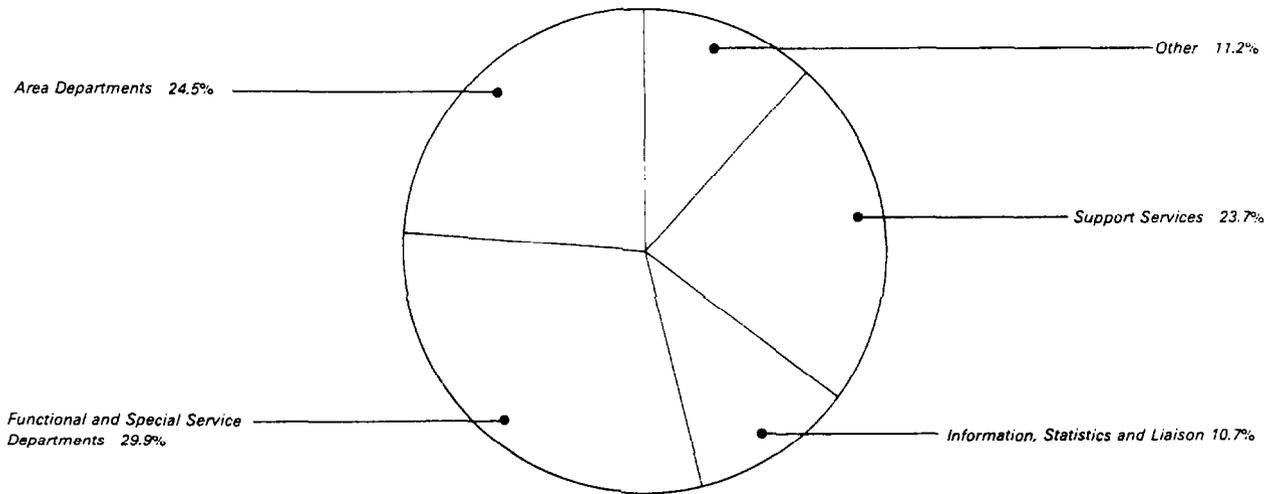
<sup>2</sup> Commencing in FY 1990, the cost of EDP equipment maintenance, previously allocated to departments, has been centralized in BCS.

<sup>3</sup> Estimates take account of reimbursement by the World Bank for its share of the cost of joint services provided by these units of organization.

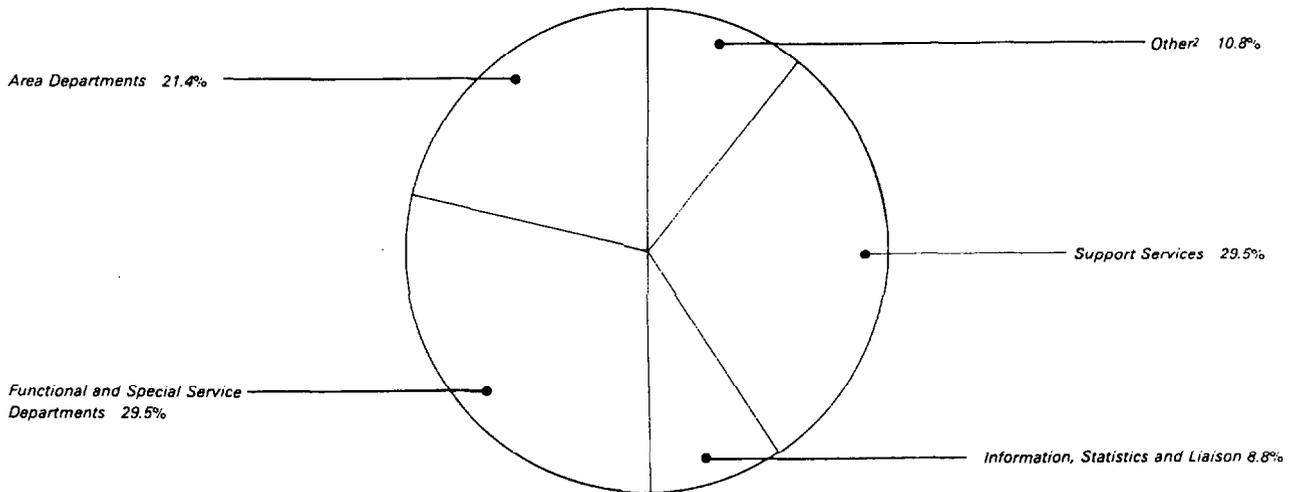


**PERCENTAGE DISTRIBUTION OF ADMINISTRATIVE BUDGET FOR FY 1990  
BY UNIT OF ORGANIZATION**

**ESTIMATED COST  
(\$241.8 million)**



**EFFECTIVE MANPOWER<sup>1</sup>  
(2,339)**



<sup>1</sup>Includes Executive Board (excluded from table on page 49).

<sup>2</sup>Includes Executive Board, Management, unallocated manpower reserved for sick, maternity and sabbatical leave, and three new unallocated positions.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

PERSONNEL CEILINGS OF DEPARTMENTS, BUREAUS & OFFICES

Unit of Organization	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Managing Director	3	—	2	5	—	3	—	2	5
Deputy Managing Director	2	1	1	4	—	2	1	1	4
Subtotal	5	1	3	9	—	5	1	3	9
<b>Area Departments</b>									
African Department	22	72	39	133	+ 7	23	76	41	140
Asian Department	13	31	21	65	+ 1	13	32	21	66
European Department	14	42	28	84	—	14	42	28	84
Middle Eastern Department	10	20	14	44	—	10	20	14	44
Western Hemisphere Department	18	56	33	107	—	18	56	33	107
Subtotal	77	221	135	433	+ 8	78	226	137	441
<b>Functional &amp; Special Service Departments</b>									
Central Banking Department Exchange & Trade Relations Department	8	9	9.5	26.5	+ 1.5	8	10	10	28
Fiscal Affairs Department	16	46	33	95	+ 2	16	48	33	97
IMF Institute	15	45	22.5	82.5	+ 1	15	45	23.5	83.5
Legal Department	11	20	32.5	63.5	—	11	20	32.5	63.5
Research Department	7	13	15	35	+ 1	7	14	15	36
Treasurer's Department	14	54	21	89	—	14	53	22	89
Subtotal	11	66	57	134	—	11	66	57	134
Subtotal	82	253	190.5	525.5	+ 5.5	82	256	193	531
<b>Information, Statistics &amp; Liaison</b>									
External Relations Department	9	27	21.5	57.5	+ 1	11	26	21.5	58.5
Bureau of Statistics	10	62	44	116	- 1	10	61	44	115
Office in Europe	3	4	7	14	—	3	4	7	14
Office in Geneva	2	1	3	6	—	2	1	3	6
Subtotal	24	94	75.5	193.5	—	26	92	75.5	193.5
<b>Support Services</b>									
Administration Department	11	84	130	225	- 5	11	82	127	220
Secretary's Department	8	27	63	98	- 2	8	27	61	96
Bureau of Computing Services	8	47	19	74	- 2	8	45	19	72
Bureau of Language Services	4	52	39	95	- 3	4	57	31	92
Internal Auditor	1	7	1	9	—	1	7	1	9
Investment Office—SRP	1	2	1	4	—	1	2	1	4
Subtotal	33	219	253	505	- 12	33	220	240	493
<b>Support Group</b>									
Resident Representatives & Advisors	1	26	—	27	+ 5	1	31	—	32
Secretarial Staff	—	1	27.5	28.5	- 0.5	—	1	27	28
Subtotal	1	27	27.5	55.5	+ 4.5	1	32	27	60
Unallocated	—	—	—	—	+ 3	—	3	—	3
<b>Total</b>	<b>222</b>	<b>815</b>	<b>684.5</b>	<b>1,721.5</b>	<b>+ 9</b>	<b>225</b>	<b>830</b>	<b>675.5</b>	<b>1,730.5</b>



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**EFFECTIVE MANPOWER OF DEPARTMENTS, BUREAUS & OFFICES**

Unit of Organization	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades			Total		Grades			Total
	B1-B5	A9-A15	A1-A8			B1-B5	A9-A15	A1-A8	
Management	8.5	2.0	6.4	16.9	- 1.9	7.2	2.0	5.8	15.0
<b>Area Departments</b>									
African Department	21.4	88.7	37.1	147.2	+ 7.2	22.4	92.6	39.4	154.4
Asian Department	13.9	42.4	22.4	78.7	+ 3.3	14.0	45.2	22.8	82.0
European Department	14.4	47.6	25.1	87.1	+ 3.7	15.0	47.9	27.9	90.8
Middle Eastern Department	10.2	23.4	15.0	48.6	+ 2.9	11.0	24.8	15.7	51.5
Western Hemisphere Department	17.8	64.6	33.1	115.5	+ 5.5	18.0	67.8	35.2	121.0
Subtotal	77.7	266.7	132.7	477.1	+22.6	80.4	278.3	141.0	499.7
<b>Functional &amp; Special Service Departments</b>									
Central Banking Department Exchange & Trade Relations Department	8.0	89.4	11.2	108.6	+ 3.2	8.0	92.2	11.6	111.8
Fiscal Affairs Department	16.1	50.2	37.4	103.7	+ 3.5	16.5	52.6	38.1	107.2
IMF Institute	15.7	70.2	24.4	110.3	+ 7.5	16.8	74.5	26.5	117.8
Legal Department	10.7	20.4	37.5	68.6	—	10.7	20.7	37.2	68.6
Research Department	7.5	11.8	19.1	38.4	+ 1.6	8.0	13.9	18.1	40.0
Treasurer's Department	18.5	58.9	22.7	100.1	+ 1.5	18.5	58.1	25.0	101.6
Subtotal	11.0	59.9	68.0	138.9	+ 4.5	11.6	60.3	71.5	143.4
Subtotal	87.5	360.8	220.3	668.6	+21.8	90.1	372.3	228.0	690.4
<b>Information, Statistics &amp; Liaison</b>									
External Relations Department	9.0	27.8	29.8	66.6	- 1.6	11.0	25.3	28.7	65.0
Bureau of Statistics	9.7	60.7	47.3	117.7	+ 1.9	10.5	60.9	48.2	119.6
Office in Europe	3.0	3.9	7.9	14.8	+ 0.4	3.0	4.0	8.2	15.2
Office in Geneva	1.6	1.0	3.1	5.7	+ 0.6	2.0	1.0	3.3	6.3
Subtotal	23.3	93.4	88.1	204.8	+ 1.3	26.5	91.2	88.4	206.1
<b>Support Services</b>									
Administration Department	12.9	88.5	188.7	290.1	- 6.3	13.0	84.7	186.1	283.8
Secretary's Department	8.0	28.6	76.9	113.5	- 1.8	9.0	27.5	75.2	111.7
Bureau of Computing Services	8.0	166.7	20.5	195.2	-20.7	8.0	145.0	21.5	174.5
Bureau of Language Services	4.0	51.7	47.3	103.0	+ 1.5	4.0	61.4	39.1	104.5
Internal Auditor	1.2	8.0	1.6	10.8	—	1.2	8.0	1.6	10.8
Investment Office—SRP	1.0	1.8	1.2	4.0	- 0.1	1.0	1.7	1.2	3.9
Subtotal	35.1	345.3	336.2	716.6	-27.4	36.2	328.3	324.7	689.2
<b>Fund-Wide Reserve<sup>1</sup></b>									
Unallocated	—	10.3	35.2	45.5	- 6.5	—	5.7	33.3	39.0
Unallocated	—	—	—	—	+ 3.0	—	3.0	—	3.0
<b>Total</b>	<b>232.1</b>	<b>1,078.5</b>	<b>818.9</b>	<b>2,129.5</b>	<b>+12.9</b>	<b>240.4</b>	<b>1,080.8</b>	<b>821.2</b>	<b>2,142.4</b>

<sup>1</sup>Unallocated manpower reserved for sick, maternity, and sabbatical leave.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**ADMINISTRATION DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	9,140	9,320	9,091	- 229	- 2.5
Other personnel expenses	5,198	4,800	4,141	- 659	- 13.7
Business travel	168	388	187	- 201	- 51.8
Other travel	556	624	606	- 18	- 2.9
Data processing	888	1,241	779	- 462	- 37.2
Other administrative expenses	4,330	4,481	4,501	20	0.4
<b>Total</b>	<b>20,280</b>	<b>20,854</b>	<b>19,305</b>	<b>- 1,549</b>	<b>- 7.4</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	1	4.5	10.5	—	5	1	4.5	10.5
Compensation and Job Grading Unit	—	3	1	4	—	—	3	1	4
Administrative Services Division									
Immediate Office	1	2	1	4	—	1	2	1	4
Facilities Section	—	10	5	15	-1	—	10	4	14
Graphics Section	—	7	30	37	—	—	7	30	37
Procurement Section	—	5	5	10	+1	—	5	6	11
Support Services Section	—	3	24	27	-3	—	3	21	24
Transportation Section	—	3	6	9	—	—	3	6	9
Subtotal	1	30	71	102	-3	1	30	68	99
Budget and Planning Division	1	9	5	15	-1	1	9	4	14
Joint Fund-Bank Library	1	19	20.5	40.5	-2	1	17	20.5	38.5
Recruitment Division	1	4	7.5	12.5	—	1	4	7.5	12.5
Staff Benefits Division	1	11	14.5	26.5	—	1	11	14.5	26.5
Staff Development Division	1	7	6	14	+1	1	7	7	15
<b>Total staff ceiling</b>	<b>11</b>	<b>84</b>	<b>130</b>	<b>225</b>	<b>-5</b>	<b>11</b>	<b>82</b>	<b>127</b>	<b>220</b>
Effective manpower estimates <sup>1</sup>	11.0	80.6	117.0	208.6	-5.6	11.0	77.3	114.7	203.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	1.9	—	—	1.9	+0.1	2.0	—	—	2.0
Temporary Assistance	—	7.9	60.6	68.5	-2.1	—	7.4	59.0	66.4
Overtime	—	—	11.1	11.1	+1.3	—	—	12.4	12.4
<b>Total effective manpower</b>	<b>12.9</b>	<b>88.5</b>	<b>188.7</b>	<b>290.1</b>	<b>-6.3</b>	<b>13.0</b>	<b>84.7</b>	<b>186.1</b>	<b>283.8</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary function of the department is the provision of a wide range of administrative and financial services in such key areas as the administrative and capital budgets,

the recruitment and development of Fund personnel, staff relations, administration of compensation and benefits, the Fund's real property, procurement, and the Joint Library.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

ADMINISTRATION DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Regular and contractual staff recruited	658	742	820	906	950
Staff enrolled in training courses	1,980	2,279	2,072	2,501	2,605
Benefits cases processed	5,355	5,762	5,928	6,275	6,590
Travel authorizations processed	5,048	4,810	4,665	5,038	5,050
Purchase orders written	2,231	2,580	2,800	3,600	4,700
Books and periodicals loaned	59,237	52,259	52,700	60,495	63,300
Staff and experts in the field	238	255	206	220	230

<sup>1</sup> Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

The routine work of the department was significantly heavier in 1988 than in 1987, and was accomplished with virtually no increase in manpower. This reflected efficiency gains from automation and improved organization.

In the area of personnel management, work on the job grading appeals process was nearly completed. A considerable amount of time was spent on such matters as the proposed Administrative Tribunal and the recommendations of the Joint Compensation Committee. Reviews were also made of the pension plan, leave policies, merit pay policy, performance evaluation, benefits for resident representatives and technical assistance experts, the services provided to the Fund by the Bank's Medical Department, language training programs, staff mobility, the vacancy list system, recruitment and retention experience and the Economist Program. An increase in staff turnover necessi-

tated an expanded recruiting program which included visits to Africa, Asia, Europe and North America.

In the area of administrative services, several papers were prepared concerning the acquisition of the Western Presbyterian Church property, and the Joint Library was moved to International Square. Progress was also made on developing a new space planning system. Initiatives were taken to upgrade field security as well as the Fund's fire and life safety programs. Studies were made of benefit travel procedures, travel allowances and an automated and integrated travel data base.

Work on the administrative budget and capital budget process became more intense under the pressure of determining priorities during a time when the growth in budgetary resources is carefully controlled but the demands for Fund services continue to grow.

WORK PROGRAM IN FINANCIAL YEAR 1990

Projections of the routine work of the department show a continuation of the upward trend in demand for services. In the personnel area, the most important task for FY 1990 will be the completion and implementation of the results of the Joint Committee on Compensation, especially the design of a new salary structure, adjustments of salaries to the new structure, and transitional arrangements. Other work pertaining to conditions of employment will include studies connected with the 1990 Compensation Survey, the quadrennial benefits survey, the completion of the pension plan review, and a study of the tax reimbursement system made necessary in large part by the changes incorporated in the 1986 U.S. Tax Reform Act. In addition, a number of papers on such subjects as the Medical Benefits Plan, spouse and dependency allowance policies, sick leave, salary advances and occupational health matters will be proposed. A job standards manual and detailed procedures for day-to-day administration of the job grading system will be developed. Staff development work will include studies of the annual appraisal and merit exercises, succession planning for senior staff, and implementation of new intensive language training programs. Recruitment activities will be broad-

ened in response to increasing difficulties in attracting candidates and the need to maintain the nationality distribution.

Work in connection with the acquisition of the Western Presbyterian Church property and the planned building extension will intensify in FY 1990. In addition, the acquisition of additional temporary office space to ease the overcrowding situation in the headquarters building will be pursued. The Joint Library is investigating the possibility of providing direct access to its information system from individual offices, while the Budget and Planning Division has plans to revise expenditure control procedures and to use automation to permit departments to assume more accountability for their expenditures.

It is proposed to reduce the staff ceiling of the department by a total of five positions (net), three through substitution of vendor-supplied manpower, two through transfer to the World Bank and the elimination of one position. A secretary will be added to assist in the increased work in the Staff Development Division (replacing a part-time position in the Support Group). Total manpower available to the department is expected to fall by 6.3 man-years to 283.8 man-years.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**AFRICAN DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	7,833	8,062	8,514	452	5.6
Other personnel expenses	5,677	5,189	4,957	-232	-4.5
Business travel	2,605	2,913	3,117	204	7.0
Other travel	949	962	1,165	203	21.1
Data processing	508	280	170	-110	-39.3
Other administrative expenses	1,272	1,433	1,517	84	5.9
<b>Total</b>	<b>18,844</b>	<b>18,839</b>	<b>19,440</b>	<b>601</b>	<b>3.2</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	12	5	19	36	-3	11	5	17	33
East African Division I	1	5	2	8	+1	1	6	2	9
East African Division II	1	7	2	10	-1	1	6	2	9
Equatorial African Division	1	7	2	10	-1	1	6	2	9
Indian Ocean Division	1	6	2	9	—	1	6	2	9
North African Division	1	7	2	10	-1	1	6	2	9
Sahel Division I	1	8	2	11	-2	1	6	2	9
Sahel Division II	—	—	—	—	+9	1	6	2	9
Southern African Division I	1	7	2	10	-2	1	5	2	8
Southern African Division II	—	—	—	—	+9	1	6	2	9
West African Division I	1	7	2	10	-1	1	6	2	9
West African Division II	1	7	2	10	-1	1	6	2	9
West African Division III	1	6	2	9	—	1	6	2	9
<b>Total staff ceiling</b>	<b>22</b>	<b>72</b>	<b>39</b>	<b>133<sup>1</sup></b>	<b>+7</b>	<b>23</b>	<b>76</b>	<b>41</b>	<b>140</b>
Resident representative ceiling	—	13	—	13	—	—	13	—	13
Effective manpower estimates <sup>2</sup>	21.4	77.8	32.4	131.6	+4.3	22.4	80.6	32.9	135.9
Economist and Summer Intern Programs	—	9.5	—	9.5	+1.1	—	10.6	—	10.6
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	1.4	3.5	4.9	+1.9	—	1.4	5.4	6.8
Overtime	—	—	1.2	1.2	-0.1	—	—	1.1	1.1
<b>Total effective manpower</b>	<b>21.4</b>	<b>88.7</b>	<b>37.1</b>	<b>147.2</b>	<b>+7.2</b>	<b>22.4</b>	<b>92.6</b>	<b>39.4</b>	<b>154.4</b>

<sup>1</sup>Includes 5 positions allocated from the contingency pool during the year.

<sup>2</sup>The differences between staff and resident representative ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to advise management and the Executive Board on all matters concerning the economies and economic policies of the 46 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these coun-

tries, and, along with other departments, to provide them with technical assistance and financial advice. The department also maintains contact with regional organizations in the area.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

AFRICAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>6</sup>
Member countries	46	46	46	46	46
Countries using Fund resources <sup>1</sup>	17	23	15	22	30
Consultation missions	42	43	45	41	42-45
of which, also concerned with use of Fund resources (UFR)	(22)	(26)	(27)	(27)	(32)
Staff trips on operations and relations with member countries <sup>2</sup>	320	363	320	334	345
Stand-bys and EFFs approved	14	18	8	9	9
SAFs/ESAFs approved	—	6	11	15	27
CCFFs approved	—	—	—	—	2
Programs continuing	5	5	8	8	23
Total program months <sup>3</sup>	117	197.5	350.5	343	456
Staff reports prepared <sup>4</sup>	...	110	87	88	110
Article IV Consultations	(...)	(29)	(18)	(19)	(15)
Article IV Consultations and UFR	(...)	(13)	(17)	(13)	(32)
Recent Economic Developments	(...)	(42)	(34)	(30)	(47)
Use of Fund resources <sup>5</sup>	(...)	(26)	(18)	(26)	(16)

<sup>1</sup>Excluding reserve tranche purchases.

<sup>2</sup>A9-B5 staff time only.

<sup>3</sup>Cumulative period over which arrangements were in effect during each calendar year.

<sup>4</sup>Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

<sup>5</sup>Major UFR reports only; excluding special facilities (CCFF and BSFF).

<sup>6</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the work load of the department continued to increase, mainly reflecting mission activity related to Fund-supported programs. During the year, programs were negotiated with 18 countries and at year-end, there were financial arrangements in place with 27 countries (23 in CY 1987). During the year, the department conducted 138 missions (165 in 1987); this decline was mainly attributable to attempts by the department to reduce mission travel whenever possible by combining consultation and negotiation missions. Of the total, there were 41 (45) Article IV consultation missions, of which 27 (27) were combined with

the use of Fund resources negotiations. There were also 47 (50) missions concerned exclusively with the use of Fund resources, largely reflecting the additional and complex work load occasioned by SAF/ESAF-related operations.

New stand-by arrangements were approved for 8 (8) member countries, extended arrangements for 1 (1) country, as well as SAF and ESAF programs for 10 (11) and 5 (0) countries, respectively. At year-end, there were 3 (16) stand-by arrangements in effect, 4 (0) stand-bys and SAFs, 14 (17) SAFs, 4 (0) ESAFs, 1 (0) stand-by and ESAF, and 1 (0) extended arrangement.

WORK PROGRAM IN FINANCIAL YEAR 1990

For FY 1990, the volume of work activity is expected to rise further, as a majority of the 46 member countries and 2 prospective members are likely to continue to need Fund supported programs. During FY 1990, the number of Article IV consultation missions is expected to be about the same as in CY 1988. The number of separate use of Fund resources missions on the other hand is expected to increase substantially over 1988, largely due to activities associated with SAF/ESAF programs. Given the complexities associated with the Fund's new facilities and the continuing problems faced by countries in arrears, it is likely that increases in the time spent in collaboration with the

World Bank and multilateral and aid agencies will be needed.

Given the existing demands placed on the department as well as the anticipated increase in work load, it is proposed that 5 economist and 2 secretarial positions be provided to cope with the increased work load. At the same time, two new divisions will be established to increase the operational effectiveness of the department. Total manpower available to the department is estimated to increase by 7.2 man-years to 154.4 man-years. Included in the total are 13 Resident Representative positions which the department will continue to maintain during the coming year.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**ASIAN DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,243	4,321	4,404	83	1.9
Other personnel expenses	2,972	2,783	2,506	-277	-10.0
Business travel	995	1,260	1,336	76	6.0
Other travel	517	545	528	-17	-3.1
Data processing	160	269	186	-83	-30.9
Other administrative expenses	723	802	846	44	5.5
<b>Total</b>	<b>9,610</b>	<b>9,980</b>	<b>9,806</b>	<b>-174</b>	<b>-1.7</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	3	6	16	—	7	3	6	16
Division A	1	4	2	7	—	1	4	2	7
Division B	1	4	2	7	—	1	4	2	7
Division C	1	5	3	9	—	1	5	3	9
Division D	1	4	3	8	+1	1	5	3	9
Division E	1	7	2	10	—	1	7	2	10
Division F	1	4	3	8	—	1	4	3	8
<b>Total staff ceiling</b>	<b>13</b>	<b>31</b>	<b>21</b>	<b>65</b>	<b>+1</b>	<b>13</b>	<b>32</b>	<b>21</b>	<b>66</b>
Resident representative ceiling	—	6	—	6	—	—	6	—	6
Effective manpower estimates <sup>1</sup>	13.0	36.1	20.2	69.3	+1.0	13.0	37.1	20.2	70.3
Economist and Summer Intern Programs	—	5.5	—	5.5	+1.6	—	7.1	—	7.1
Consultants	0.9	—	—	0.9	+0.1	1.0	—	—	1.0
Temporary Assistance	—	0.8	1.9	2.7	+0.3	1.0	—	2.0	3.0
Overtime	—	—	0.3	0.3	+0.3	—	—	0.6	0.6
<b>Total effective manpower</b>	<b>13.9</b>	<b>42.4</b>	<b>22.4</b>	<b>78.7</b>	<b>+3.3</b>	<b>15.0</b>	<b>44.2</b>	<b>22.8</b>	<b>82.0</b>

<sup>1</sup>The differences between staff and resident representative ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to advise management and the Executive Board on all matters concerning the economies and economic policies of the 25 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these coun-

tries, and, along with other departments, to provide them with technical assistance and financial advice. The department also maintains contact with regional organizations in the area.



ASIAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>6</sup>
Member countries	24	25	25	25	25
of which, G-7 countries	(1)	(1)	(1)	(1)	(1)
Countries using Fund resources <sup>1</sup>	7	7	4	4	4
Consultation missions	21	24	21	23	25
of which, also concerned with use of Fund resources (UFR)	(5)	(9)	(5)	(2)	(7)
Staff trips on operations and relations with member countries <sup>2</sup>	104	108	107	123	125
Stand-bys and EFFs approved	4	2	—	1	1
SAFs/ESAFs approved	—	—	2	2	6
CCFFs approved	—	—	—	—	—
Programs continuing <sup>3</sup>	3	5	1	1	2
Total program months <sup>3</sup>	37	63	46.5	48.5	59
Staff reports prepared <sup>4</sup>	...	42	39	47	47
Article IV Consultations	(...)	(14)	(15)	(21)	(22)
Article IV Consultations and UFR	(...)	(6)	(3)	(2)	(2)
Recent Economic Developments	(...)	(20)	(17)	(19)	(17)
Use of Fund resources <sup>5</sup>	(...)	(2)	(4)	(5)	(6)

<sup>1</sup>Excluding reserve tranche purchases.

<sup>2</sup>A9-B5 staff trips only.

<sup>3</sup>Cumulative period over which arrangements were in effect during each calendar year. This indicator is intended to provide a broad measure of the level of activity with regard to use of Fund resources, in particular as it relates to program review, report preparation and program monitoring.

<sup>4</sup>Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

<sup>5</sup>Major UFR reports only; excluding special facilities (CCFF and BSFF).

<sup>6</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the department conducted 33 missions (35 in 1987) and held negotiations with 2 member countries during the Annual Meetings. There were 23 (21) Article IV consultation missions, of which 2 (5) involved use of Fund resources. Of the remaining 10 (14) missions, 9 (13) related exclusively to the use of Fund resources and 1 (1) involved a technical assistance mission to China. The department participated in a number of Aid and Consultative Group meetings and provided 13 staff members (11) to other departments, the IBRD and the AsDB for technical assistance or

country economic missions, seminars and recruitment missions. In addition, work related to SAF/ESAF with actual and prospective users of the facilities consumed twice as many resources as in 1987. The department also maintained contact with regional organizations by sending observers to the Annual Meetings of ESCAP and AsDB.

During 1988, 3 annual SAF arrangements were approved and 1 (4) country drew in the credit tranches, 3 (1) under the SAF and 1 (2) under the Compensatory Financing Facility.

WORK PROGRAM IN FINANCIAL YEAR 1990

In FY 1990, work on Japan will continue to be heavy, especially in view of the increased importance of policy coordination among the major countries. Work on other newly industrializing economies in East and Southeast Asia is expected to intensify as their role in the world economy continues to increase. It is estimated that an increasing number of countries in the region will seek Fund resources, as well as technical assistance and advice on policy issues. It is also expected that the number of Article IV consulta-

tion missions will remain at the level of CY 1988. Work on a number of important countries such as China, India, and Indonesia is also expected to increase, as well as contacts with the AsDB and ESCAP.

It is proposed to add 1 economist position for the projected increase in work load. The department will continue to utilize 6 Resident Representative positions during the coming year.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**CENTRAL BANKING DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	5,078	5,538	5,672	134	2.4
Other personnel expenses	2,527	2,597	2,643	46	1.8
Business travel	321	420	426	6	1.4
Other travel	884	945	971	26	2.8
Data processing	97	56	104	48	85.7
Other administrative expenses	295	335	360	25	7.5
<b>Total</b>	<b>9,202</b>	<b>9,891</b>	<b>10,176</b>	<b>285</b>	<b>2.9</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	1	6.5	14.5	- 0.5	6	1	7	14
Economics Division	1	8	3	12	-12	—	—	—	—
Financial Sector Division	—	—	—	—	+ 6	1	4	1	6
Monetary Operations Division	—	—	—	—	+ 8	1	5	2	8
<b>Total staff ceiling</b>	<b>8</b>	<b>9</b>	<b>9.5</b>	<b>26.5</b>	<b>+ 1.5</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>28</b>
Effective manpower estimates <sup>1</sup>	8.0	8.6	9.2	25.8	+ 1.6	8.0	9.7	9.7	27.4
Economist and Summer Intern Programs	—	2.2	—	2.2	+ 0.3	—	2.5	—	2.5
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	0.6	1.9	2.5	- 0.8	—	—	1.7	1.7
Overtime	—	—	0.1	0.1	+ 0.1	—	—	0.2	0.2
Subtotal	8.0	11.4	11.2	30.6	+ 1.2	8.0	12.2	11.6	31.8
Experts	—	78	—	78	+ 2	—	80	—	80
<b>Total effective manpower</b>	<b>8</b>	<b>89.4</b>	<b>11.2</b>	<b>108.6</b>	<b>+ 3.2</b>	<b>8.0</b>	<b>92.2</b>	<b>11.6</b>	<b>111.8</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are (i) to provide technical assistance on a wide range of central banking and related matters, either through the provision of advisory services by the departmental staff or through long-term assignments of outside experts; and (ii) to conduct applied research that will provide a basis for assisting developing countries to improve their central and commercial banking activities. Such research is intended to provide close support and interaction with the technical assistance function. The department also collaborates with the World

Bank and other international organizations on technical assistance and capital market matters.

The entire staff is engaged in providing advisory services on monetary policy and other central banking matters. The senior staff, in addition, is responsible for the recruitment, assignment and supervision of experts, while the junior staff participate in area department missions and conduct applied research derived from their advisory and area department work.



**CENTRAL BANKING DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Technical Assistance					
Countries and multi-national institutions assisted	68	64	54	54	60
Number of panel expert assignments	141	151	109	113	120
Expert years on assignment	93	92	71	74	80
Number of advisory missions	15	19	18	23	26
Number of advisory reports/legislation	11	24	28	30	35
Applied research					
Number of studies finalized	2	5	2	5	5

<sup>1</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, technical assistance provided through the panel expert program recovered to 74 man-years from 71 man-years in 1987, and there were 113 (109) assignments to 54 (54) countries and multinational institutions. A total of 78 man-years is projected for FY 1989, below the budgeted level of 83 man-years mainly because of continued difficulties in locating qualified experts, particularly in the area of banking supervision. To offset these difficulties, the placement of two technical assistance consultants at headquarters allowed the department to meet some high priority requests on a short-term basis.

Demands for advisory work by the department staff continued to grow. The number of advisory missions increased to 23 (18 in 1987) and the number of reports finalized to 30 (28). In addition, the department staff participated in 4 (4) joint financial sector missions with the World Bank. Approximately 9 man-years (7) of staff resources were devoted to

advisory work, contributing extensively to the development and implementation of Fund programs. As a result of heavy pressures on the staff in this area, participation in area department missions fell to zero (7 in 1987). The department staff contributed to two training courses, one organized by the World Bank/EDI in the People's Republic of China and the other by the Association of African Central Banks in Brazzaville. The staff also prepared a number of papers for use in the Central Banking Seminar organized by the IMF Institute at headquarters.

Although the increased involvement in advisory services limited the department's ability to allocate resources for applied research, the department managed to devote 1.5 (1.6) man-years to complete 5 (2) major papers, including 2 on the banking crisis project begun in 1985 and 3 involving problems of developing countries. Several more studies were in progress at year-end.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

A further recovery in the technical assistance expert program is expected in FY 1990, with the panel of expert assignments estimated to reach approximately 80 man-years.

In FY 1990, work related to advisory missions will continue to receive high priority as a majority of these missions are in response to the present or prospective use of Fund resources programs. During the year, an effort will be made to restore some participation in area department missions to provide specific monetary policy and banking expertise, and to follow-up on key advisory work. Continued emphasis will be placed on collaborative activities with the World Bank, particularly in areas which involve major Fund program countries where the Bank is providing financial sector advice and lending. It is expected that research activities will continue at the present level.

A budget of 80 man-years for the technical assistance expert program is proposed for FY 1990. Within this ceiling,

it is proposed to increase the number of headquarters-based experts from 2 to 3, as part of the department's plan for restructuring its operations by gradually replacing long-term assistance provided by experts in the field with shorter visits by headquarters' staff.

An addition of 1.5 positions to the department's staff ceiling is proposed: 1 economist position to respond to the increased demand for financial sector analysis and technical assistance in the context of Fund programs; and 0.5 secretarial position to handle additional work load generated by the recent increase in the ceiling including headquarters-based experts. To increase professional supervision for work requiring careful design and review, it is proposed to divide the Economics Division into a Financial Sector Division and a Monetary Operations Division. Overall, total manpower available to the department is estimated to increase by 3.2 man-years to 111.8 man-years.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**EUROPEAN DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,668	4,686	4,743	57	1.2
Other personnel expenses	2,785	2,567	2,221	-346	-13.5
Business travel	1,062	1,308	1,380	72	5.5
Other travel	380	418	411	-7	-1.7
Data processing	221	311	231	-80	-25.7
Other administrative expenses	818	919	971	52	5.7
<b>Total</b>	<b>9,934</b>	<b>10,209</b>	<b>9,957</b>	<b>-252</b>	<b>-2.5</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	2	7	16	—	7	2	7	16
Central European Division	1	6	3	10	—	1	6	3	10
Eastern European Division I	1	5	3	9	—	1	5	3	9
Eastern European Division II	1	5	3	9	—	1	5	3	9
Maritime Division	1	6	3	10	—	1	6	3	10
Northern European Division	1	6	3	10	—	1	6	3	10
Southern European Division	1	6	3	10	—	1	6	3	10
Western European Division	1	6	3	10	—	1	6	3	10
<b>Total staff ceiling</b>	<b>14</b>	<b>42</b>	<b>28</b>	<b>84</b>	<b>—</b>	<b>14</b>	<b>42</b>	<b>28</b>	<b>84</b>
Effective manpower estimates <sup>1</sup>	14.0	39.6	22.9	76.5	+2.1	14.0	39.6	25.0	78.6
Economist and Summer Intern Programs	—	7.0	—	7.0	+1.0	—	8.0	—	8.0
Consultants	0.4	—	—	0.4	+0.6	1.0	—	—	1.0
Temporary Assistance	—	1.0	1.8	2.8	—	—	0.3	2.5	2.8
Overtime	—	—	0.4	0.4	—	—	—	0.4	0.4
<b>Total effective manpower</b>	<b>14.4</b>	<b>47.6</b>	<b>25.1</b>	<b>87.1</b>	<b>+3.7</b>	<b>15.0</b>	<b>47.9</b>	<b>27.9</b>	<b>90.8</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to advise management and the Executive Board on all matters concerning the economies and economic policies of 28 member countries (and their overseas parts and territories), and to assist in the formulation and execution of Fund policies in

relation to these countries. The department also follows events in Switzerland and the nonmember countries in Eastern Europe, as well as developments in the EC, including, in particular, the European Monetary System, and the OECD.



EUROPEAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>6</sup>
Member countries	27	28	28	28	28
of which, G-7 countries	(4)	(4)	(4)	(4)	(4)
Countries using Fund resources <sup>1</sup>	1	1	—	2	2
Consultation missions	25	30	22	24	27
of which, also concerned					
with use of Fund resources (UFR)	(2)	(—)	(1)	(1)	(2)
Staff trips on operations and relations with member countries <sup>2</sup>	159	150	129	149	150
Stand-bys and EFFs Approved	1	—	—	2	3
CCFFs approved	—	—	—	—	2
Programs continuing	4	1	—	—	2
Total program months <sup>3</sup>	18	5	—	13	41
Staff reports prepared <sup>4</sup>	...	54	55	50	59
Article IV Consultations	(. . .)	(25)	(27)	(24)	(25)
Article IV Consultations and UFR	(. . .)	(1)	(—)	(2)	(2)
Recent Economic Developments	(. . .)	(26)	(27)	(22)	(25)
Use of Fund resources <sup>5</sup>	(. . .)	(1)	(1)	(2)	(7)
Other	(. . .)	(1)	(—)	(—)	(—)

<sup>1</sup>Excluding reserve tranche purchases.

<sup>2</sup>A9-B5 staff trips only.

<sup>3</sup>Cumulative period over which arrangements were in effect during each calendar year. This indicator is intended to provide a broad measure of the level of activity with regard to use of Fund resources, in particular as it relates to program review, report preparation and program monitoring.

<sup>4</sup>Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

<sup>5</sup>Major UFR reports only; including enhanced surveillance; excluding special facilities (CCFF and BSFF).

<sup>6</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the department conducted 65 missions (67 in 1987). Of the total, there were 24 (22) Article IV consultation missions and 1 (1) separate use of Fund resources missions. There also was a significant number of visits to member countries, often at the request of the authorities, to discuss special policy problems and possible use of Fund resources, as well as visits to the Paris Club and other

international organizations. The department was heavily involved in multilateral surveillance activities through the WEO and the Group of Seven (G-7).

With regard to use of Fund resources, there were 2 programs in effect during 1988, and discussions began with other countries on possible financial arrangements.

WORK PROGRAM IN FINANCIAL YEAR 1990

The work load in FY 1990 is expected to be at least as heavy as in CY 1988. Consultation missions are again expected to constitute the bulk of the department's work, although there is likely to be an increase in the number of Fund resources missions given the interest expressed by some countries for financial assistance. It is also anticipated that the work related to the European Communities (EC) and European Monetary System (EMS) will increase. Activities connected with the WEO are expected to remain heavy, and an increased work load with regard to the G-7 is anticipated in FY 1990 as a result of the intensified emphasis

placed on multilateral surveillance and on international policy coordination. It is also anticipated that some increase will occur in country-related research activities, especially on issues relating to reforms in planned economies, the further development of the EMS and the completion of the internal market in the EC.

No increase in the staff ceiling is proposed for FY 1990. However, by filling existing vacancies at the A1-A8 level and making increasing use of summer interns and consultants, it is estimated that total manpower available to the department will increase by 3.7 man-years to 90.8 man-years.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**EXCHANGE AND TRADE RELATIONS DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,928	5,138	5,355	217	4.2
Other personnel expenses	2,984	2,815	2,487	-328	-11.7
Business travel	1,389	1,467	1,549	82	5.6
Other travel	448	465	473	8	1.7
Data processing	143	191	315	124	64.9
Other administrative expenses	957	1,023	1,064	41	4.0
<b>Total</b>	<b>10,849</b>	<b>11,099</b>	<b>11,243</b>	<b>144</b>	<b>1.3</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	8	2	7	17	+ 5	9	5	8	22
Consultation Practices Division	1	5	2	8	- 8	—	—	—	—
Development Finance Division	1	5	2	8	+ 2	1	6	3	10
Exchange Restrictions Division	1	5	7	13	-13	—	—	—	—
Exchange Systems Surveillance Division	—	—	—	—	+16	1	8	7	16
External Finance Division	1	6	4	11	—	1	6	4	11
International Capital Markets Division	1	6	4	11	—	1	6	4	11
Stand-By Operations Division	1	6	2	9	—	1	6	2	9
Stand-By Policies Division	1	6	3	10	—	1	6	3	10
Trade and Payments Division	1	5	2	8	—	1	5	2	8
<b>Total staff ceiling</b>	<b>16</b>	<b>46</b>	<b>33</b>	<b>95</b>	<b>+ 2</b>	<b>16</b>	<b>48</b>	<b>33</b>	<b>97</b>
Effective manpower estimates <sup>1</sup>	16.0	41.3	31.6	88.9	+ 2.0	16.0	43.3	31.6	90.9
Economist and Summer Intern Programs	—	6.2	—	6.2	+ 0.3	—	6.5	—	6.5
Consultants	0.1	—	—	0.1	+ 0.4	0.5	—	—	0.5
Temporary Assistance	—	2.7	4.6	7.3	+ 0.8	—	2.8	5.3	8.1
Overtime	—	—	1.2	1.2	—	—	—	1.2	1.2
<b>Total effective manpower</b>	<b>16.1</b>	<b>50.2</b>	<b>37.4</b>	<b>103.7</b>	<b>+ 3.5</b>	<b>16.5</b>	<b>52.6</b>	<b>38.1</b>	<b>107.2</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main functions of the department are to assist the area departments in formulating financial stabilization programs and structural adjustment programs supported by use of the Fund's resources and in reviewing these programs to contribute to the development and review of policies concerning the use of the Fund's resources; to coordinate practices and procedures with respect to Article IV consultations including enhanced surveillance; to contribute to the development of policies and procedures for

effective surveillance of exchange rate policies; to develop policies and coordinate information on external debt and debt services of member countries; to develop and coordinate procedures and policies related to official and commercial bank debt rescheduling; and to act as liaison with the GATT and coordinate the Fund's relations with the World Bank, the Development Committee, the OECD Export Credit Agencies, and other regional and international agencies.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

EXCHANGE AND TRADE RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>2</sup>
Fund mission participation (overseas trips) <sup>1</sup>	206	214	208	211	215
of which					
Operations and relations with member countries	(167)	(178)	(167)	(155)	(160)
Policy development and research	(19)	(14)	(27)	(35)	(35)
Review and approval of country papers:					
Consultations	108	101	94	91	100
Use of Fund resources	52	73	80	88	...
Joint consultation/use of Fund resources	24	23	27	26	...
Papers prepared:					
Policy papers	22	27	38	45	50
Information papers, GATT papers and departmental memoranda	19	18	17	20	20
Board papers on exchange systems and rates	65	70	37	43	...

<sup>1</sup>A9-B5 staff trips only.

<sup>2</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

The department continued to actively participate in the heavy operational work load of the area departments during 1988. Staff of the department participated in 147 use of Fund resources, consultation, and related missions (149 in 1987) and 99 (85) missions for other country matters. In addition, staff participated in 183 (66) discussions with authorities at headquarters. During the year, operational work related to debt rescheduling through the Paris Club and commercial banks continued at high levels, as did work related to trade policy and structural and financial reform in developing countries.

In the policy area, 45 papers (38 in 1987) were prepared for the Executive Board and the Interim and Development

Committees, the large increment mainly reflecting work on the Enhanced Structural Adjustment Facility (ESAF), including cooperation with development assistance agencies, modalities for the compensatory and contingency financing facility (CCFF), and the intensified collaborative approach to resolving overdue financial obligations to the Fund. Papers on the debt strategy reached a new peak, including the menu approach for bank claims, multilateral official debt rescheduling, and parallel lending. During the year, considerable attention was devoted to the Uruguay Round, surveillance, international capital markets, conditionality, Bank/Fund collaboration, and proposals of the G-10 and G-24.

WORK PROGRAM IN FINANCIAL YEAR 1990

The operational work of the department is expected to increase in FY 1990, especially as new facilities and policies have recently been established. Implementation of the arrears strategy, including design and monitoring of shadow programs, country review, and assistance to support groups will add substantially to the department's work load. The ESAF will continue to place heavy demands on staff, due in part to the extensive collaboration with the authorities, World Bank, and aid agencies. As the CCFF becomes fully operational, its complex structure is envisaged to absorb additional resources. Participation in missions for use of Fund resources and Article IV consultations are estimated to continue at the FY 1989 level, as are other operational activities such as attendance at Paris Club meetings.

The department's policy work will continue to absorb considerable resources in FY 1990. A major task for the

department will be the development of operational procedures to integrate debt financing techniques, including innovative debt reduction operations, in adjustment programs. Reviews are scheduled for the CCFF, the SAF, ESAF, and ESAF Trust, access limits, the collaborative approach for resolving overdues to the Fund, and program monitoring. Additional papers are anticipated on debt issues, emergency assistance, surveillance, international capital markets, the Uruguay Round, resource mobilization for structural adjustment and Bank/Fund collaboration.

It is proposed to add 2 economist positions to assist with the anticipated increases in work load and to consolidate two existing divisions which have complementary functions. Total manpower available to the department is estimated to increase by 3.5 man-years to 107.2 man-years.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**EXTERNAL RELATIONS DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	3,087	3,047	3,169	122	4.0
Other personnel expenses	1,753	1,603	1,432	-171	-10.7
Business travel	215	465	330	-135	-29.0
Other travel	294	311	501	190	61.1
Data processing	223	364	238	-126	-34.6
Other administrative expenses	2,306	2,998	3,372	374	12.5
<b>Total</b>	<b>7,878</b>	<b>8,788</b>	<b>9,042</b>	<b>254</b>	<b>2.9</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	6	3	5	14	-2	6	1	5	12
Publications Unit	—	2	7	9	—	—	2	7	9
Current Publications Division	1	3	1	5	—	1	3	1	5
Editorial Division	1	9	2.5	12.5	—	1	9	2.5	12.5
Information Division	1	7	3	11	-3	1	4	3	8
Public Affairs Division	—	—	—	—	+6	1	5	—	6
Finance & Development Office	—	3	3	6	—	1	2	3	6
<b>Total staff ceiling</b>	<b>9</b>	<b>27</b>	<b>21.5</b>	<b>57.5</b>	<b>+1</b>	<b>11</b>	<b>26</b>	<b>21.5</b>	<b>58.5</b>
Effective manpower estimates <sup>1</sup>	9.0	26.1	20.8	55.9	+0.7	11.0	24.8	20.8	56.6
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	1.7	8.3	10.0	-2.5	—	0.5	7.0	7.5
Overtime	—	—	0.7	0.7	+0.2	—	—	0.9	0.9
<b>Total effective manpower</b>	<b>9.0</b>	<b>27.8</b>	<b>29.8</b>	<b>66.6</b>	<b>-1.6</b>	<b>11.0</b>	<b>25.3</b>	<b>28.7</b>	<b>65.0</b>

<sup>1</sup> The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main functions of the department are to advise management and other departments on the Fund's relations with non-governmental entities; to coordinate the relations between the Fund and most institutions of the UN system; to foster improved public understanding of the Fund; to conduct relations with the media and to provide for press arrangements in connection with meetings of Governors and their committees; to arrange seminars for the media, academics, research institutes, and other public interest groups and to assist in coordinating speaking engagements for management and staff; to provide a drafting capability for

speeches and nonofficial correspondence of management; to edit, publish, and distribute Fund publications and to provide editorial services for the Fund as a whole; to review and clear material proposed by staff for outside publication and delivery; to organize and conduct briefings for Fund visitors; and to manage the IMF Visitors' Center. Other functions include informing management, the Executive Board, and the staff of news developments in areas of Fund interest through the issuance of a daily news digest and other means, to produce a monthly newsletter for the staff, and to distribute SDR rates daily to the media.



EXTERNAL RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>2</sup>
<b>Information</b>					
Enquiries from general public	32,400	37,650	51,750	61,250	65,000
Visitors under visitors program	1,760	9,000 <sup>1</sup>	29,500	34,800	40,000
Press seminars, conferences, briefings	51	53	59	81	90
Press Contacts—Telephone interviews	11,000	11,500	12,750	13,000	14,000
<b>Publications</b>					
Number of pages edited and published	8,905	12,635	12,096	12,454	12,000
Titles published	35	48	46	45	45
Volumes/issues published	210	222	224	238	230

<sup>1</sup>Official opening of the IMF Visitors' Center.

<sup>2</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

The department's activities in 1988 focussed on a more comprehensive and coordinated external relations program aimed at improving the public understanding of the Fund. In preparation for the Annual Meetings in Berlin, an intensive media campaign was conducted through on-the-record interviews by the Managing Director as well as radio interviews, press briefings and seminars conducted by department and other Fund staff. A new pamphlet series, the EXRPs, was introduced to explain the Fund's policies and activities to a broader audience in less technical language; in 1988, 4 such pamphlets were drafted and translated into German, French and Spanish. In support of the major work program, the department held 81 press conferences and briefings (59 in 1987) and produced 108 (93) press releases as well as conducted 98 (121) short seminars at headquarters for groups of visitors. Approximately 19,750 (16,700) personal and telephone contacts were made with the press and 410 (380) background interviews were arranged with senior staff members and management. Articles and speeches reviewed for publication and delivery outside the Fund numbered 137 (122). In addition to the 14 (10) infor-

mation missions undertaken in 1988 at which 1,200 (675) journalists were contacted, 3 (1) seminars for nonofficials in Germany, Italy and the United Arab Emirates were organized.

The department continued to publish the daily news digest, *Morning Press* and the weekly, *Trends and Comments*; a monthly report for press use on Fund statistics, the *IMF Memorandum*; and the *IMF Survey* which, at the end of 1988, had a circulation of 24,508 in English (25,076 in 1987), 5,744 (5,676) in French, and 5,386 (5,356) in Spanish. *Finance & Development*, a Fund-World Bank quarterly journal produced in seven languages, had a circulation at the end of 1988 of 134,000 (133,800).

The department was also responsible for the editing, presentation, and publication of the *Annual Report of the Executive Board*, and *Annual Report on Exchange Arrangements and Exchange Restrictions*, 2 books, 4 seminar volumes, and 9 *Occasional Papers*. In addition to the 1988 *World Economic Outlook* and its supplement, 4 papers were published in the *World Economic and Financial Surveys* series. Net revenues from the sale of Fund publications increased slightly in 1988 to \$1,548,282 (\$1,538,716 in 1987).

WORK PROGRAM IN FINANCIAL YEAR 1990

An intensified program of external relations activity is planned for FY 1990 in order to continue to improve public understanding of Fund policy. A strengthened public affairs program with emphasis on the U.S. will be implemented, designed to promote public support of a quota increase. The work of the Office of the UN Representative will further intensify as will information activities aimed at improving public perception of the Fund in sub-Saharan Africa. A number of filmed case studies of country programs supported by the Fund will be developed and work will be started on a new general film on the Fund. In addition, the department will continue to focus on its traditional programs, including the press seminar series, of which 7 are scheduled for FY 1990, press conferences and briefings in

connection with the Managing Director's travel and meetings of the Board of Governors, and 4 seminars for nonofficials. The department will assume the responsibility for drafting the *Annual Report of the Executive Board* as well as a number of pamphlets aimed at a broad, general readership.

In order to improve the department's effectiveness and enhance efficiency, it is proposed to consolidate non-media external relations activities through the creation of a new Public Affairs Division and to increase the department's staff ceiling by providing a Public Affairs Officer to assist with the proposed program. Total manpower available to the department will fall by 1.6 man-years to 65.0 man-years.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT

Estimated Expenses

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,982	6,742	7,036	294	4.4
Other personnel expenses	3,152	3,080	2,823	-257	- 8.3
Business travel	1,152	1,351	1,435	84	6.2
Other travel	868	947	991	44	4.6
Data processing	167	116	223	107	92.2
Other administrative expenses	847	973	1,036	63	6.5
Total	12,168	13,209	13,544	335	2.5

Personnel Ceilings  
(man-years)

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	1	9.5	19.5	+1	9	1	10.5	20.5
Budget and Expenditure									
Control Division	1	6	2	9	—	1	6	2	9
Fiscal Review Division	1	9	2	12	—	1	9	2	12
Government Expenditure									
Analysis Division	1	8	2	11	—	1	8	2	11
Special Fiscal Studies Division	1	8	2	11	—	1	8	2	11
Tax Administration Division	1	6	2	9	—	1	6	2	9
Tax Policy Division	1	7	3	11	—	1	7	3	11
Total staff ceiling	15	45	22.5	82.5	+1	15	45	23.5	83.5
Effective manpower estimates <sup>1</sup>	15.0	40.3	21.7	77.0	+3.3	15.0	42.3	23.0	80.3
Economist and Summer									
Intern Programs	—	3.9	—	3.9	+0.3	—	4.2	—	4.2
Consultants	0.7	—	—	0.7	+1.1	1.8	—	—	1.8
Temporary Assistance	—	—	2.5	2.5	+0.7	—	—	3.2	3.2
Overtime	—	—	0.2	0.2	+0.1	—	—	0.3	0.3
Subtotal	15.7	44.2	24.4	84.3	+5.5	16.8	46.5	26.5	89.8
Experts	—	26.0	—	26.0	+2	—	28.0	—	28.0
Total effective manpower	15.7	70.2	24.4	110.3	+7.5	16.8	74.5	26.5	117.8

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

SUMMARY OF FUNCTIONS

The primary functions of the department are to provide fiscal analysis, especially for Fund missions which are likely to confront important public finance problems; to review fiscal aspects of Fund programs and country papers; to provide technical assistance to member countries on public finance matters; and to conduct research which will provide a basis for advice on country problems. Other functions

include presenting Public Finance courses and helping with other courses offered by the IMF Institute; collaborating with the Bureau of Statistics and area departments in developing improved government finance statistics; and collaborating with the World Bank and other international organizations on public finance matters.



FY 1990 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>2</sup>
Fund mission participation <sup>1</sup>	122	96	106	105	110
Technical assistance					
Countries assisted	57	55	40	52	55
Panel experts' assignments	67	63	66	69	70
Staff assignments	53	51	37	56	50
Formal reports	24	23	32	23	25
IMF Institute teaching sessions given by FAD staff	118	134	166	185	175
Departmental memoranda and working papers issued	24	22	34	31	25
Area department papers reviewed	501	551	555	557	560

<sup>1</sup> Includes participation in Article IV Consultations, use of Fund resources missions, and participation in World Bank missions; excludes technical assistance.

<sup>2</sup> Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the department continued to be extensively involved in Fund missions, although other pressures on the staff made it necessary to decline some area department requests. Investing a total of 19.5 man-years of staff resources (17.9 in 1987), the department participated in 98 (101) missions during the year; 67 of these were concerned with use of Fund resources. Viewed from a geographical distribution, African Department countries again predominated with 51 missions (63) followed by countries in the Western Hemisphere Department 16 (10), the Middle Eastern Department 11 (8), the Asian Department 11 (16), and the European Department 9 (4). In addition, the department staff reviewed 557 (555) area department papers.

Staff resources devoted to technical assistance activities increased to 11.3 (10.8) man-years and the assignment of experts rose to 24 (20.4) man-years. The latter increase was due largely to the location of additional experts at headquarters who participated in, and on occasion led, short-term technical assistance missions. The number of

countries served increased by 30 percent to 52. The number of advisory missions increased by 43 percent to 80 with the emphasis on short missions (60 compared to 40 in 1987) increasingly associated with use of Fund resources programs.

Despite a decline in staff time devoted to general policy development and research (from 8.8 man-years to 7.2), staff produced 31 (34) Working Papers and Departmental Memoranda. Seventeen (10) papers were published in Fund publications including papers on fiscal aspects of Fund-sponsored programs and implications of adjustment for poverty, and 2 books were also published, one on value-added tax and the other on public budgeting.

Staff participated in 7 (5) World Bank missions and also assisted the World Bank in a number of other activities including the 1988 World Development Report. Staff resources devoted to the IMF Institute remained about the same level as in the previous year (1.7 man-years) with 185 (166) sessions presented by the department staff.

WORK PROGRAM IN FINANCIAL YEAR 1990

The department will continue to allocate substantial resources (20.5 man-years) to operational missions in FY 1990 as it is expected that the area departments' demands for fiscal assistance will continue. The SAF/ESAF and CCFE negotiations, as well as the often complex PFPs produced in collaboration with the World Bank, will absorb additional staff time.

The volume of technical assistance will continue at about the present level with an allocation of 12 staff-years as well as 28 expert-years. Given the interest in fiscal policy, an increase in requests in the areas of budgeting and expenditure control, tax administration, and indirect taxes is likely. Technical assistance attached to Article IV consultation

missions to industrial countries may expand with particular emphasis placed on structural reforms of taxation.

Research activities will absorb a similar level of resources to that invested in FY 1989, although more time will have to be devoted to work on poverty issues and on priorities of government expenditure within adjustment programs.

It is proposed to add one research assistant position to the staff ceiling to relieve some of the burden on the economists. A budget of 28 man-years, including 6 headquarters-based experts, is proposed for the technical assistance expert program. Total manpower available for the department (including the filling of 2 man-years of economist vacancies) will increase by 7.5 man-years to 117.8.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**IMF INSTITUTE**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	3,202	3,288	3,318	30	0.9
Other personnel expenses	3,027	3,060	2,902	-158	- 5.2
Business travel	172	302	303	1	0.3
Other travel	1,726	1,758	1,900	142	8.1
Data processing	246	227	179	- 48	-21.1
Other administrative expenses	1,572	1,838	2,088	250	13.6
<b>Total</b>	<b>9,945</b>	<b>10,473</b>	<b>10,690</b>	<b>217</b>	<b>2.1</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	2	5	12	—	5	2	5	12
Administrative Division	1	2	19	22	—	1	2	19	22
Arabic Division	1	3	1	5	—	1	3	1	5
English Division	1	4	2	7	—	1	4	2	7
External Training Division	1	2	1.5	4.5	—	1	2	1.5	4.5
French Division	1	3	2	6	—	1	3	2	6
Spanish Division	1	4	2	7	—	1	4	2	7
<b>Total staff ceiling</b>	<b>11</b>	<b>20</b>	<b>32.5</b>	<b>63.5</b>	<b>—</b>	<b>11</b>	<b>20</b>	<b>32.5</b>	<b>63.5</b>
Effective manpower estimates <sup>1</sup>	10.7	19.7	30.5	60.9	—	10.7	19.7	30.5	60.9
Economist and Summer Intern Programs	—	0.5	—	0.5	+0.5	—	1.0	—	1.0
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	0.2	6.0	6.2	-0.5	—	—	5.7	5.7
Overtime	—	—	1.0	1.0	—	—	—	1.0	1.0
<b>Total effective manpower</b>	<b>10.7</b>	<b>20.4</b>	<b>37.5</b>	<b>68.6</b>	<b>—</b>	<b>10.7</b>	<b>20.7</b>	<b>37.2</b>	<b>68.6</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main function of the Institute is to provide technical assistance, in some cases with the cooperation of other departments, by conducting courses for officials employed by financial agencies of member countries, particularly developing ones. The courses include the following areas of activity, and are conducted in Arabic, English, French, and Spanish on a rotating schedule: financial analysis and policy, financial programming and policy, techniques of financial analysis and programming, techniques of economic analysis, balance of payments methodology, public finance, gov-

ernment finance statistics, money and banking statistics, and programming and policies for medium-term adjustment. In addition to its program of courses, the Institute periodically conducts short seminars for high-level officials on topics of current interest, i.e., budgeting and expenditure control, current legal issues affecting central banks, and the design of Fund-supported adjustment programs. Other activities include a program of external training seminars in member countries and lecturing assistance to institutes of national and regional organizations.



**IMF INSTITUTE**  
**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>4</sup>
Regular training program					
Courses/seminars	14	15	16	17	16
Applications received	1,429	1,371	1,435	1,552	1,650
Participants	424	481	490	522	510
Participant weeks	4,223	4,894	5,026	4,841	4,822
Teaching sessions by staff of IMF Institute <sup>1</sup>	974	1,356	1,387	1,263	1,285
Teaching sessions by others <sup>2</sup>	359	444	584	621	590
External training program					
Seminars	4	5	2	7 <sup>3</sup>	7
Participant weeks	164	375	106	306	300

<sup>1</sup>Lectures, workshops, seminars, and counseling sessions.

<sup>2</sup>Lectures, workshops, seminars, and counseling sessions given by other departments, mostly the Bureau of Statistics and the Fiscal Affairs Department, and guest lectures from outside the Fund.

<sup>3</sup>Includes 2 seminars postponed from previous year.

<sup>4</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the Institute gave 14 courses (14 in 1987): 3 on Financial Analysis and Policy; 3 on Techniques of Economic Analysis; 2 on Financial Programming and Policy; 2 on Public Finance, in cooperation with the Fiscal Affairs Department; and, in cooperation with the Bureau of Statistics, 2 on Balance of Payments Methodology, 1 on Government Finance Statistics, and 1 on Money and Banking Statistics. The Institute also presented 3 seminars at headquarters (2 in 1987), as follows: 1 on Current Legal Issues Affecting Central Banks, in cooperation with the Legal Department, 1 on Public Expenditure Management (new), in cooperation with the Fiscal Affairs Department, and 1 on Central Banking, in cooperation with the Central Banking Department. In addition, 7 external seminars on Financial Analysis and Programming, were held, respectively, in Algeria, Bolivia, Ghana, Guyana, Maldives, Mauritius, and the Solomon Is-

lands. In total, 522 participants selected from 1,552 applicants attended the courses and seminars at headquarters (490 participants in 1987 from 1,435 applicants). A total of 153 (53) participants attended external seminars and courses organized by the Institute.

The scope of the training program in CY 1988 was similar to that in CY 1987, except for the organization and preparation of teaching materials for the new course on programming and policies for medium-term adjustment to be conducted for the first time in 1989. In addition, the department undertook a comprehensive review of its entire training program, covering a wide range of issues, i.e., training needs of member countries, selection of participants, length, coverage, and frequency of courses and seminars, and other relevant points.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

In addition to the 4 courses which commenced in FY 1989, the Institute plans to offer 14 courses and 3 high-level seminars at headquarters, and 7 seminars in member countries in FY 1990. Those at headquarters will include: 2 courses on Techniques of Financial Analysis and Programming (new); 3 courses on Financial Analysis and Policy; 2 courses on Programming and Policies for Medium-Term Adjustment (new); 2 courses on Balance of Payments Methodology; 3 courses on Public Finance; and 2 courses on

Government Finance Statistics. The 3 high-level seminars will include topics on Current Legal Issues Affecting Central Banks, Budgeting and Expenditure Control, and The Design of Fund-Supported Adjustment Programs. External training will encompass 7 seminars, ranging from two to three weeks, on Financial Analysis and Programming.

No increase in the staff ceiling is proposed for FY 1990. Total manpower available to the department will remain at 68.6 man-years.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**LEGAL DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	1,579	1,842	1,879	37	2.0
Other personnel expenses	991	977	871	-106	-10.8
Business travel	132	182	164	-18	-9.9
Other travel	134	152	158	6	3.9
Data processing	176	102	68	-34	-33.3
Other administrative expenses	530	585	702	117	20.0
<b>Total</b>	<b>3,542</b>	<b>3,840</b>	<b>3,842</b>	<b>2</b>	<b>0.1</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	7	13	15	35	+1.0	7	14	15	36
Effective manpower estimates <sup>1</sup>	7.0	10.9	13.9	31.8	+2.0	7.0	12.8	14.0	33.8
Economist and Summer Intern Programs	—	0.3	—	0.3	—	—	0.3	—	0.3
Consultants	0.5	—	—	0.5	+0.5	1.0	—	—	1.0
Temporary Assistance	—	0.6	4.7	5.3	-1.0	—	0.8	3.5	4.3
Overtime	—	—	0.5	0.5	+0.1	—	—	0.6	0.6
<b>Total effective manpower</b>	<b>7.5</b>	<b>11.8</b>	<b>19.1</b>	<b>38.4</b>	<b>+1.6</b>	<b>8.0</b>	<b>13.9</b>	<b>18.1</b>	<b>40.0</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The principal function of the Legal Department is to advise on all legal matters relating to the Fund's activities. Specifically, legal advice is provided on the interpretation of the Articles of Agreement and decisions of the Fund, the formulation and implementation of the policies of the Fund, and the organization and management of the Fund. The Legal Department advises the management, other depart-

ments, the Executive Board, and the Board of Governors of the Fund.

In addition, technical assistance is made available to member countries, as well as to other international organizations, in the drafting of monetary, banking, and fiscal legislation.



**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**LEGAL DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986 <sup>1</sup>	1987	1988	1989 <sup>3</sup>
Board Documents Prepared, of which:					
Legal only	...	21	16	10	16
Jointly—other departments	...	40	55	70	65
Consulting capacity	...	214	218	232	248
Article IV reports reviewed <sup>2</sup>	...	85	75	77	78
Written legal opinions	...	713	1,171	1,039	1,200
Laws drafted	...	12	17	33	35
Laws reviewed/revised	...	36	34	56	49

<sup>1</sup>First year for which statistics were maintained.

<sup>2</sup>In addition to those cleared by the department in a consulting capacity.

<sup>3</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

During 1988, the work load of the department, covering virtually all aspects of the Fund's activities, continued to increase. Major general legal items included: (i) the Board paper on legal effects of approval or nonapproval of exchange restrictions by the Fund; (ii) borrowing and related international agreements to implement the ESAF; (iii) the review and adaptation of the Fund's policy instruments, including the EFF, and the introduction of new instruments, including the CCFF; and (iv) the Board paper on establishment of an Administrative Tribunal for the Fund. Papers and advice were also prepared on: (i) the operational documentation for ESAF loans; (ii) the application of the CCFF decision; (iii) the overdue obligations to the Fund; (iv) the Fund's financial structure and operations, including burden sharing and the Special Contingent Account; and (v) the

Ninth General Review of Quotas. Major country-related legal issues calling for advice were related to the SAF/ESAF operations, and the combination of the CCFF with existing policies on the use of Fund resources, and the establishment and operation of administered accounts. The demands for legal advice on administrative matters continued to increase, particularly concerning grievance matters, the acquisition of real estate for the planned expansion of Fund headquarters, the Staff Retirement Plan, the benefits and rights of Executive Directors, and issues of access to the Fund's archives. The department continued to provide technical assistance on central banking and fiscal legislation. The number of overseas trips for technical assistance purposes was 10 (9) in 1988.

**WORK PROGRAM IN FINANCIAL 1990**

The work will reflect the diversification and intensification of the activities of the Fund itself. Major issues include (i) additions to Fund resources and related issues, notably the Ninth Review of Quotas, the review of the ESAF, and the development of parallel lending schemes; (ii) adaptation of the policy on the use of the fund's general resources (CCFF, EFF, etc); (iii) the problem of arrears to the Fund, including an analysis of the Fund's powers under the Articles, the treatment of members in arrears to the Fund in the context of the Ninth Review of Quotas, analysis and fortification of the Fund's preferred creditor status, the structuring and operation of support groups, and the establishment of Administered Accounts to assist members; (iv) the evolution of the debt strategy, involving the monitoring and legal analysis of evolving relationships and covenants, advice on new debt reduction schemes, and possibly a new debt facility; (v) new initiatives in the area of surveillance; (vi) review of the financial structure of the Fund, including the review of burden sharing, charges, remuneration, in-

come target, and their appendages; (vii) SDR issues, especially such items as post-allocation adjustments; and (viii) relations with other international organizations, including the World Bank, the GATT, and the UNDP. Country work will continue unabated, especially in connection with the operation of the SAF/ESAF, the documentation and application of the CCFF, the establishment and operation of Administered Accounts, debt reduction schemes, cooperative action for members in arrears, and membership missions. Technical assistance will continue at a high level, including participation in selected World Bank missions. The provision of administrative legal advice will continue to increase. It is expected that the department will increasingly contribute to the effort to provide a better knowledge and understanding of the Fund's law and practices in professional and academic legal circles.

It is proposed to add 1 counsellor to offset the increased work load. Total manpower available to the department is estimated to increase by 1.6 man-years to 40 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**MIDDLE EASTERN DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	2,775	2,752	2,883	131	4.8
Other personnel expenses	1,790	1,628	1,446	-182	-11.2
Business travel	744	806	850	44	5.5
Other travel	223	304	239	-65	-21.4
Data processing	72	106	105	-1	-0.9
Other administrative expenses	540	596	620	24	4.0
<b>Total</b>	<b>6,144</b>	<b>6,192</b>	<b>6,143</b>	<b>-49</b>	<b>-0.8</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	6	4	6	16	—	6	4	6	16
Division A	1	4	2	7	—	1	4	2	7
Division B	1	4	2	7	—	1	4	2	7
Division C	1	4	2	7	—	1	4	2	7
Division D	1	4	2	7	—	1	4	2	7
<b>Total staff ceiling</b>	<b>10</b>	<b>20</b>	<b>14</b>	<b>44</b>	<b>—</b>	<b>10</b>	<b>20</b>	<b>14</b>	<b>44</b>
Resident representative ceiling	1	1	—	2	—	1	1	—	2
Effective manpower estimates <sup>1</sup>	11.0	19.0	14.0	44.0	+0.1	11.0	19.1	14.0	44.1
Economist and Summer Intern Programs	—	2.5	—	2.5	+1.3	—	3.8	—	3.8
Consultants	0.2	—	—	0.2	+0.8	1.0	—	—	1.0
Temporary Assistance	—	0.9	0.8	1.7	+0.8	—	0.9	1.6	2.5
Overtime	—	—	0.2	0.2	-0.1	—	—	0.1	0.1
<b>Total effective manpower</b>	<b>11.2</b>	<b>22.4</b>	<b>15.0</b>	<b>48.6</b>	<b>+2.9</b>	<b>12.0</b>	<b>23.8</b>	<b>15.7</b>	<b>51.5</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to advise management and the Executive Board on all matters concerning economic developments and policies of the 18 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these coun-

tries, and, along with other departments, to provide them with technical assistance and economic advice. The department also works closely with regional organizations in the area and provides technical and policy assistance to some of these organizations.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**MIDDLE EASTERN DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>6</sup>
Member countries	18	18	18	18	18
Countries using Fund resources <sup>1</sup>	1	—	1	...	3
Consultation missions	13	15	12	11	14
of which, also concerned					
with use of Fund resources (UFR)	(2)	(3)	(5)	(2)	(6)
Staff trips on operations and					
relations with member countries <sup>2</sup>	77	74	90	86	88
Stand-bys and EFFs approved	—	—	1	1	2
SAFs/ESAFs approved	—	—	—	1	1
CCFFs approved	—	—	—	—	1
Programs continuing	—	—	—	1	1
Total program months <sup>3</sup>	—	—	7.5	12	24
Staff reports prepared <sup>4</sup>	...	24	22	27	34
Article IV Consultations	(...)	(11)	(11)	(12)	(15)
Article IV Consultations and UFR	(...)	(1)	(—)	(1)	(1)
Recent Economic Developments	(...)	(12)	(11)	(13)	(15)
Use of Fund resources <sup>5</sup>	(...)	(—)	(—)	(1)	(3)

<sup>1</sup>Excluding reserve tranche purchases.

<sup>2</sup>A9-B5 staff trips only.

<sup>3</sup>Cumulative period over which arrangements were in effect during each calendar year.

<sup>4</sup>Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

<sup>5</sup>Major UFR reports only; excluding special facilities (CCFF and BSFF).

<sup>6</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the department conducted 32 (34) missions. There were 11 (12) Article IV consultation missions, of which 2 (5) were also concerned with the use of Fund resources. In addition, there were 14 (7) missions conducted specifically to discuss the use of Fund resources or the design of a shadow program for a country in arrears to the Fund. Eighteen (15) special missions and visits were also organized by the department, including participation in aid group meetings and discussions relating to the mobiliza-

tion of resources for the ESAF. Technical assistance and policy advice were provided to several countries. In addition, the department continued its traditional Fund-wide coverage of oil and oil-related developments and studies on Islamic banking.

With regard to the use of Fund resources, 1 (1) stand-by and 1 (0) SAF arrangements came into effect and 1 (1) country made drawings under the credit tranche.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

Growing economic difficulties in the region, as well as the uncertain economic prospects of oil producers, will continue to put pressure on the balance of payments and the financial systems of many countries in the area. As a result, the involvement of the department in policy discussions will continue to increase. Negotiations for Fund-supported and shadow programs will occur with a number of the countries experiencing economic difficulties and will require a high level of coordination with the World Bank. The number of

consultation missions and requests for technical assistance and policy advice from member countries and international and regional organizations are likely to increase.

No increase in the staff ceiling is proposed. Total manpower available to the department is estimated to increase by 2.9 man-years to 51.5 man-years. Included in the total are 2 Resident Representative positions which the department will continue to utilize during the coming year.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**RESEARCH DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,600	5,232	5,248	16	0.3
Other personnel expenses	2,688	2,650	2,298	-352	-13.3
Business travel	404	416	407	-9	-2.2
Other travel	559	614	612	-2	-0.3
Data processing	650	589	580	-9	-1.5
Other administrative expenses	748	818	838	20	2.4
<b>Total</b>	<b>9,649</b>	<b>10,319</b>	<b>9,983</b>	<b>-336</b>	<b>-3.3</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	4	9	22	—	9	4	9	22
Commodities Division	1	13	3	17	—	1	13	3	17
Current Studies Division	1	11	3	15	—	1	11	3	15
Developing Country Studies Division	1	9	2	12	—	1	9	2	12
External Adjustment Division	1	9	2	12	—	1	8	3	12
Financial Studies Division	1	8	2	11	—	1	8	2	11
<b>Total staff ceiling</b>	<b>14</b>	<b>54</b>	<b>21</b>	<b>89</b>	<b>—</b>	<b>14</b>	<b>53</b>	<b>22</b>	<b>89</b>
Effective manpower estimates <sup>1</sup>	14.0	50.0	18.4	82.4	—	14.0	49.0	19.4	82.4
Economist and Summer Intern Programs	—	5.5	—	5.5	+0.5	—	6.0	—	6.0
Consultants	4.5	—	—	4.5	—	4.5	—	—	4.5
Temporary Assistance	—	3.4	3.7	7.1	+0.9	—	3.1	4.9	8.0
Overtime	—	—	0.6	0.6	+0.1	—	—	0.7	0.7
<b>Total effective manpower</b>	<b>18.5</b>	<b>58.9</b>	<b>22.7</b>	<b>100.1</b>	<b>+1.5</b>	<b>18.5</b>	<b>58.1</b>	<b>25.0</b>	<b>101.6</b>

<sup>1</sup> The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The department's primary functions are: to conduct a program of basic and applied research in the areas of interest to the Fund, including the international monetary system, the international adjustment process, determinants of international capital flows and trade (including the effects of exchange rate changes); to prepare, in collaboration with area departments, economic forecasts on a worldwide basis; to support efforts on economic policy coordination by Fund members; to administer the compensatory and buffer

stock financial facilities and undertake background research for policy formulation in this area; to conduct a program of research on macroeconomic policies in industrial and developing countries and the design of Fund programs; and to play a leading role in the development of Fund policy with respect to the working of the international monetary system, the economic aspects of the Fund as a financial institution, and general aspects of the Fund's approach to members' economic problems.

RESEARCH DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Policy papers	41	40	35	31	29
Operational papers on special facilities	12	9	15	11	20
Departmental memoranda	30	38	46	57	57
Articles in <i>Staff Papers</i>	16	16	15	18	18
Participation in country missions	24	16	26	18	30
Participation in official meetings	18	15	26	29	29
Participation in other conferences (staff members)	47	89	90	94	95

<sup>1</sup>Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In FY 1988, the department prepared the traditional analyses of developments and prospects in the world economy for presentation to the Board in March and September. An abbreviated World Economic Outlook (WEO) report was also prepared in January to analyze the effects of the drop in the stock market. The traditional reports, along with a number of background studies and a report on commodity market developments were published in the series "World Economic and Financial Surveys". In addition, supporting statistical and analytical material was prepared for meetings of the G-7. Staff resources were also devoted to the preparation of documentation for the two meetings of the Interim Committee.

During the year, a number of major policy papers were prepared on issues relating to the debt strategy, including managing financial risks in indebted developing countries and methodological considerations in the comparison of menu items, as well as on major issues such as international coordination of economic policies, international liquidity

and the role of the SDR, and the EMS in the context of European financial integration. The department also prepared technical papers on the international monetary system and on exchange rate developments.

The work program in the commodities area was dominated by the review of the Compensatory Financing Facility (CFF) and the design and establishment of the Compensatory and Contingency Financing Facility (CCFF). In addition to 11 operational papers relating to drawings under the CFF, a total of 17 papers and policy memoranda (including 12 buffs) were prepared in connection with the review of the CFF and the establishment of the CCFF. Two papers were prepared in connection with the Buffer Stock Financing Facility.

Other research work concentrated on capital market developments, growth-oriented adjustment in developing countries, questions of international economic interdependence, and Islamic banking.

WORK PROGRAM IN FINANCIAL YEAR 1990

Work related to the analysis of world economic conditions and prospects is likely to increase in FY 1990, largely on account of requests to extend the coverage of scenarios and to broaden the WEO analysis in other directions (e.g., structural policies). The department will also prepare documentation for the Board's exchange rate seminars, which have now been placed on a more frequent schedule, as well as to provide assistance to area departments in connection with medium-term scenarios for Article IV consultations.

As interest in the subjects of policy coordination and the functioning of the international monetary has increased over the past year or two, the department intends to take a more active role in discussions of these subjects. In this context, several papers are planned in this area, including those on key issues in the functioning of the EMS, the SDR, and the international monetary system. In addition, the department intends to strengthen and systematize its analytical work on debt issues. Some analysis may also be

required of the impact of possible new financing instruments that could alleviate debt burdens.

The new CCFF will add to the work load of the department as baseline projections will have to be provided and regularly updated as part of the contingency mechanism. At the same time, the department plans to make a greater contribution to the staffing of area department's use of Fund resources missions and consultation missions to G-7 countries.

It is anticipated the department's research program will remain at the FY 1989 level with emphasis placed on continuing the major research on program design in developing countries which began a year ago. A comprehensive paper on program design will be prepared for the Board in the coming financial year and if resources permit, case studies will be undertaken.

No increase in the staff ceiling is proposed. Total manpower available to the department is estimated to increase by 1.5 man-years to 101.6 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**SECRETARY'S DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,284	4,339	4,392	53	1.2
Other personnel expenses	2,731	2,522	2,183	- 339	-13.4
Business travel	170	441	115	- 326	-73.9
Other travel	239	258	255	- 3	- 1.2
Data processing	571	744	138	- 606	-81.5
Other administrative expenses	1,651	1,627	1,773	146	9.0
<b>Total</b>	<b>9,646</b>	<b>9,931</b>	<b>8,856</b>	<b>-1,075</b>	<b>-10.8</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	2	5	11	—	4	2	5	11
Executive Board Services Unit	—	2	4	6	—	—	2	4	6
Documents Preparation Unit	—	1	9	10	—	—	1	9	10
Bank/Fund Conferences Office	1	2	—	3	—	1	2	—	3
Communications Division	1	2	25	28	-2	1	2	23	26
Executive Board Proceedings Division	1	10	5	16	—	1	10	5	16
Records Division	1	8	15	24	—	1	8	15	24
<b>Total staff ceiling</b>	<b>8</b>	<b>27</b>	<b>63</b>	<b>98</b>	<b>-2</b>	<b>8</b>	<b>27</b>	<b>61</b>	<b>96</b>
Effective manpower estimates <sup>1</sup>	8.0	26.9	60.8	95.7	-3.4	8.0	25.5	58.8	92.3
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	+1.0	1.0	—	—	1.0
Temporary Assistance	—	1.7	9.7	11.4	+0.6	—	2.0	10.0	12.0
Overtime	—	—	6.4	6.4	—	—	—	6.4	6.4
<b>Total effective manpower</b>	<b>8.0</b>	<b>28.6</b>	<b>76.9</b>	<b>113.5</b>	<b>-1.8</b>	<b>9.0</b>	<b>27.5</b>	<b>75.2</b>	<b>111.7</b>

<sup>1</sup> The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main functions of the department are to coordinate the work program of the staff and the Executive Board; to assist in conducting meetings of the Executive Board and its committees, as well as the meetings of the Board of Governors, the Interim and Development Committees and other committees of the Boards of Governors; in cooperation

with the Secretary of the World Bank, to manage the Annual Meetings of the Boards of Governors of the Fund and the Bank; to manage official communications with members and Governors; and to provide archival, communication, documentation, record, and secretariat services to the Fund and its organs.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**SECRETARY'S DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>3</sup>
Meetings serviced <sup>1,2</sup> (hours)	232 (569)	270 (652)	239 (567)	268 (595)	252 (596)
Minutes processed <sup>2</sup> (pages in thousands)	239 (7.7)	262 (9.3)	232 (9.5)	263 (8.1)	249 (8.5)
Cables processed (thousands)	151.4	159.4	170.3	163.7	172.0
Incoming and outgoing mail (millions)	1.7	1.5	1.8	1.8	1.9
Facsimile processed (thousands)	40.1	55.7	112.9	154.0	177.3
Documents processed (thousands)	4.3	4.8	4.6	4.7	4.8
Documents service requests (thousands)	966.2	1,009.2	983.3	836.0	1,000.0

<sup>1</sup>Includes meetings of the Executive Board and its committees, Interim and Development Committees, and the Group of Twenty-Four.

<sup>2</sup>CY 1989 projection based on average of CY 1985-CY 1988.

<sup>3</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the department's efforts were focused on the needs of the policy-making bodies of the Fund. The Immediate Office directed its efforts toward the coordination of the work program of the staff and the Executive Board, liaison with the Executive Board, assistance in preparation of Board papers, and scheduling, arranging, and helping to conduct the proceedings of the Executive Board, and its committees and of the Board of Governors and its committees, including the Joint Committee on the Remuneration of Executive Directors and their Alternates. Support was provided for the increasing work load of the Fund as a whole, including the preparation and distribution of documents, the administration of Central Files and records

services, the handling of correspondence, cables, courier and facsimile traffic, the preparation of records of meetings, the continuing implementation of several EDP projects, the vital records program, maintaining security, and providing services for Executive Directors. The number of Executive Board meetings increased in 1988 (268), from the 1987 level (239), but there has been a slight reduction in the average number of hours per meeting (2.2 hours in 1988 compared to 2.4 hours in 1987). Collaboration with the World Bank broadened during the year, and the department provided services to the Spring and Fall meetings of the Interim and Development Committees and the Meetings of the Boards of Governors in Berlin (West).

**WORK PROGRAM IN CALENDAR YEAR 1990**

The department intends to maintain the quality and responsiveness of its support of the policy-making bodies of the Fund in FY 1990. The high level of activity of the past year is likely to be sustained in this period making it essential that the department concentrate its efforts on meeting the priorities established by those bodies. A reorganization of various elements within the department is expected to

result in more efficient provision of services by both the Records Division and the Communications Division.

The staff ceiling will fall by two due to expected contracting out of certain functions in the Communications Division. Total manpower available to the department is estimated to decrease by 1.8 man-years to 111.7 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**TREASURER'S DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,936	6,219	6,379	160	2.6
Other personnel expenses	3,861	3,538	3,110	-428	-12.1
Business travel	154	281	201	-80	-28.5
Other travel	543	573	565	-8	-1.4
Data processing	731	565	523	-42	-7.4
Other administrative expenses	1,849	2,028	2,103	75	3.7
<b>Total</b>	<b>13,074</b>	<b>13,204</b>	<b>12,881</b>	<b>-323</b>	<b>-2.4</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	4	7	16	—	5	4	7	16
Accounts and Financial Reports Division	1	16	4	21	—	1	16	4	21
Administrative Expenditures Division	1	11	28	40	—	1	11	28	40
Financial Relations Division	1	8	5	14	—	1	8	5	14
Operations Division for General Resources	1	13	6	20	—	1	13	6	20
Operations Division for SDRs and Administered Accounts	1	7	4	12	—	1	7	4	12
Special Operations and SDA Division	1	7	3	11	—	1	7	3	11
<b>Total staff ceiling</b>	<b>11</b>	<b>66</b>	<b>57</b>	<b>134</b>	<b>—</b>	<b>11</b>	<b>66</b>	<b>57</b>	<b>134</b>
Effective manpower estimates <sup>1</sup>	11.0	58.7	50.6	120.3	—	11.0	58.7	50.6	120.3
Economist and Summer Intern Programs	—	0.8	—	0.8	+0.7	—	1.5	—	1.5
Consultants	—	—	—	—	+0.6	0.6	—	—	0.6
Temporary Assistance	—	0.4	16.4	16.8	+3.2	—	0.3	19.7	20.0
Overtime	—	—	1.0	1.0	+0.2	—	—	1.2	1.2
<b>Total effective manpower</b>	<b>11.0</b>	<b>59.9</b>	<b>68.0</b>	<b>138.9</b>	<b>+4.7</b>	<b>11.6</b>	<b>60.5</b>	<b>71.5</b>	<b>143.6</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to assist in the formulation of general Fund policy; to advise on all aspects of the financial policies of the Fund and related matters, to conduct all financial operations and transactions of the Fund and the administered accounts; to manage the investments held in the administered accounts and the Borrowed Resources Suspense Accounts; to verify and effect the payment of all administrative expenses; and to implement information management and control systems regarding the Fund's financial records. Other functions include

drafting a part of the *Annual Report*; preparing periodic reports on developments in the foreign exchange and gold markets; and analyzing developments in the financial markets, including interest rates, the SDR, and the development of money market instruments which bear on the Fund borrowing costs. The department also assists other departments and provides technical assistance to members and other international organizations on various aspects of the Fund's financial policies.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**TREASURER'S DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>3</sup>
Papers requiring Board consideration	102	126	118	137	125
Information papers and periodic reports	186	122	120	110	110
Operational transfers and other communications: <sup>1</sup>					
General Resource Account	13,170	16,440	17,800	19,750	21,000
SDR Account	6,100	6,600	7,100	8,200	9,000
Administered Accounts	1,250	950	550	700	1,100
Members with overdue obligations	53	64	61	62	—
Total late payments (millions of SDRs)	1,256	2,152	2,303	3,314	—
As a percent of total obligations due	15	21	18	29	—
Administrative matters (transactions, vouchers, and authorizations) <sup>2</sup>	203,000	215,000	230,000	245,000	255,000
Accounting—processing and audit items	47,478	58,100	66,500	75,500	82,000

<sup>1</sup>Excludes exchange rate cables which average 17,000 a year.

<sup>2</sup>Includes payroll, pensions, travel, BWRC, SRP accounts, technical assistance, and tax reimbursements; excludes operation of cashier's section.

<sup>3</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

The operational and accounting work load of the department continued to grow in 1988, with an overall increase of 8 percent in the volume of financial operations and transactions. This rate of increase was lower than was recorded in 1987 due mainly to a deceleration in the growth of repurchases, a reduced level of activity in the Borrowed Resources Suspense Accounts and a continued slowdown in Trust Fund activity. However, activity in the SDR Division remained high and there was a substantial shift in operational activity from the General Resources Account to the SAF and ESAF (with 15 SAF and 6 ESAF arrangements completed in CY 1988) and the continuing development of the modalities of ESAF operations and arrangements for ESAF funding. The number of countries in arrears rose slightly to 62 at the end of 1988 from 61 in 1987. The number of late payments, expressed as a percentage of total obligations due, increased from 18 percent to 29 percent,

while the value of late payments rose from SDR 2.3 billion in 1987 to SDR 3.3 billion in 1988. The level of activity in the accounting area also rose, reflecting a 14 percent increase over the 1987 level. The volume of administrative transactions increased by 6.5 percent (from 230,000 in 1987 to 245,000 in 1988).

Work in the policy area continued at a high level. The number of papers prepared for Executive Board consideration increased by 16 percent (from 118 in 1987 to 137 in 1988), with the increase concentrated mainly in the areas of the Ninth General Review of Quotas, arrears to the Fund, and ESAF issues. The work load in other policy areas remained steady during the year. The department benefited from automation-related productivity gains during the year, which were offset in part by the need to transfer personnel away from the policy and research-related work to operational work.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

The work load of the department in FY 1990 is projected to increase over that in FY 1989. It is expected that the bulk of the policy-related work in relation to the Ninth General Review of Quotas will be completed by the end of FY 1989, but a substantial amount of operational work will follow the formal completion of the Review. Other policy work, including a review of the method of valuing the SDR and implementation of the collaborative approach regarding overdue obligations, will increase. Operations under the GRA, SAF and ESAF Trust will rise substantially. The volume of repurchases, associated loan repayments, and work in relation to the Trust Fund and SFF Subsidy Account can be

expected to start falling toward the end of FY 1990. Work in relation to overdue financial obligations to the Fund and issues relating to the prolonged use of Fund resources are expected to increase in FY 1990. Policy development is expected to remain heavy throughout FY 1990. The volume of operational transfers and other communication is expected to increase by approximately 9 percent over the level in FY 1989, while an increase of 5 percent is expected in the volume of administrative expenditures.

No increase in the staff ceiling is proposed. Total manpower available to the department is planned to increase by 4.7 man-years to 143.6 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**WESTERN HEMISPHERE DEPARTMENT**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,946	6,206	6,357	151	2.4
Other personnel expenses	4,203	3,959	3,633	-326	- 8.2
Business travel	1,077	1,661	1,734	73	4.4
Other travel	618	658	685	27	4.1
Data processing	225	337	259	- 78	-23.1
Other administrative expenses	1,140	1,253	1,307	54	4.3
<b>Total</b>	<b>13,209</b>	<b>14,074</b>	<b>13,975</b>	<b>- 99</b>	<b>- 0.7</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	1	12	22	—	9	1	12	22
Word Processing Unit	—	—	3	3	—	—	—	3	3
Atlantic Division	1	5	2	8	—	1	5	2	8
Central American Division	1	7	2	10	—	1	7	2	10
East Caribbean Division	1	8	2	11	—	1	8	2	11
Maritime Division	1	6	2	9	—	1	6	2	9
Mexico/Latin Caribbean Division	1	5	2	8	—	1	5	2	8
North American Division	1	8	2	11	—	1	8	2	11
Pacific Division	1	5	2	8	—	1	5	2	8
River Plate Division	1	5	2	8	—	1	5	2	8
South/Central American Division	1	6	2	9	—	1	6	2	9
<b>Total staff ceiling</b>	<b>18</b>	<b>56</b>	<b>33</b>	<b>107</b>	<b>—</b>	<b>18</b>	<b>56</b>	<b>33</b>	<b>107</b>
Resident representative ceiling	—	6	—	6	—	—	6	—	6
Effective manpower estimates <sup>1</sup>	17.7	56.6	31.5	105.8	+1.7	18.0	58.0	31.5	107.5
Economist and Summer Intern Programs	—	8.0	—	8.0	+1.8	—	9.8	—	9.8
Consultants	0.1	—	—	0.1	-0.1	—	—	—	—
Temporary Assistance	—	—	1.1	1.1	+2.0	—	—	3.1	3.1
Overtime	—	—	0.5	0.5	+0.1	—	—	0.6	0.6
<b>Total effective manpower</b>	<b>17.8</b>	<b>64.6</b>	<b>33.1</b>	<b>115.5</b>	<b>+5.5</b>	<b>18.0</b>	<b>67.8</b>	<b>35.2</b>	<b>121.0</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the department are to advise management and the Executive Board on all matters concerning the economies and economic policies of the 34 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these coun-

tries, and, along with other departments, to provide them with technical assistance and economic advice. The department also maintains contact with regional organizations in the area.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**WESTERN HEMISPHERE DEPARTMENT**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>6</sup>
Member countries	34	34	34	34	34
of which, G-7 countries	(2)	(2)	(2)	(2)	(2)
Countries using Fund resources <sup>1</sup>	10	12	9	10	16
Consultation missions	34	30	34	31	32-34
of which, also concerned with use of Fund resources (UFR)	(15)	(10)	(12)	(12)	(20)
Staff trips on operations and relations with member countries <sup>2</sup>	268	205	209	219	225
Stand-bys and EFFs approved	7	3	4	4	14
SAFs/ESAFs approved	—	3	—	1	4
CCFFs approved	—	—	—	—	15
Programs continuing	9	10	3	4	9
Total program months <sup>3</sup>	137	105	114	124	170
Staff reports prepared <sup>4</sup>	...	61	65	56	79
Article IV Consultations	(...)	(19)	(24)	(17)	(24)
Article IV Consultations and UFR	(...)	(8)	(5)	(7)	(9)
Recent Economic Developments	(...)	(27)	(29)	(23)	(31)
Use of Fund resources <sup>5</sup>	(...)	(7)	(7)	(9)	(15)

<sup>1</sup>Excluding reserve tranche purchases.

<sup>2</sup>A9-B5 staff trips only.

<sup>3</sup>Cumulative period over which arrangements were in effect during each calendar year.

<sup>4</sup>Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

<sup>5</sup>Major UFR reports only; excluding special facilities (CCFF and BSFF).

<sup>6</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the department conducted 86 overseas missions (79 in 1987). Thirty-one (34) of these were Article IV consultations, of which 12 (12) also dealt with the use of Fund resources. There were 22 (22) missions relating solely to the use of Fund resources and 34 (23) staff visits, interim visits and technical assistance missions. In addition, the staff participated in 28 (29) visits to New York, Paris and other places to discuss with creditors additional financing in conjunction with Fund-supported programs or external debt rescheduling arrangements. During the year, substantial staff resources were devoted to the establishment and work

of the Guyana support group.

With regard to the use of Fund resources, there were 6 (8) countries with stand-by arrangements, 1 (1) with an EFF arrangement and 3 (3) with SAF/ESAF arrangements that became effective or were continued in 1988. The Fund also continued enhanced surveillance for Venezuela and Uruguay. Six (6) countries made drawings under the reserve tranche, or under stand-by and extended arrangements, and 5 (3) countries made drawings under the Fund's special facilities. As of the end of 1988, 11 (10) countries had arrangements with the Fund.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

A great majority of the member countries of the department can be expected to continue to experience serious economic difficulties which will require a great deal of staff attention. In FY 1990, it is estimated that a substantial percentage of the member countries of WHD will either be under a financial or a special arrangement with the Fund, or will be at various stages of discussions concerning possible arrangements with the Fund. Given the heavy debt burdens of member countries, contacts with other private and official creditors will continue to absorb a significant part of the department's work load, as will collaboration with the World

Bank in the implementation of the ESAF. The department will continue to be very active in the analysis of major industrial countries' economic developments and policies through the WEO and meetings of the G-5 and G-7. Work in connection with the support group for Guyana is also expected to continue and it is possible that similar groups will be established for other countries in the region.

No increase in the staff ceiling is proposed; the department will continue to maintain 6 Resident Representative positions.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF COMPUTING SERVICES**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	7,880	8,225	7,538	- 687	- 8.4
Other personnel expenses	2,423	2,282	1,928	- 354	- 15.5
Business travel	132	198	174	- 24	- 12.1
Other travel	382	420	401	- 19	- 4.5
Data processing <sup>1</sup>	7,380	3,350	7,528	4,178	124.7
Other administrative expenses	984	1,115	1,158	43	3.9
<b>Total</b>	<b>19,181</b>	<b>15,590</b>	<b>18,727</b>	<b>3,137</b>	<b>20.1</b>

<sup>1</sup>Commencing in FY 1990, the cost of EDP equipment maintenance, previously allocated to departments, has been centralized in BCS.

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	2	3	9	—	4	2	3	9
Computer Facilities and Operations Division	1	8	2	11	- 1	1	7	2	10
Systems Development Division	1	13	2	16	- 1	1	12	2	15
Systems Production Division	1	17	9	27	- 1	1	16	9	26
Systems Resources and Control Division	1	7	3	11	+ 1	1	8	3	12
<b>Total staff ceiling</b>	<b>8</b>	<b>47</b>	<b>19</b>	<b>74</b>	<b>- 2</b>	<b>8</b>	<b>45</b>	<b>19</b>	<b>72</b>
Effective manpower estimates <sup>1</sup>	8.0	46.7	16.9	71.6	- 0.6	8.0	45.0	18.0	71.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Contractual EDP Assistance	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	120.0	1.8	121.8	-20.1	—	100.0	1.7	101.7
Overtime	—	—	1.8	1.8	—	—	—	1.8	1.8
<b>Total effective manpower</b>	<b>8.0</b>	<b>166.7</b>	<b>20.5</b>	<b>195.2</b>	<b>-20.7</b>	<b>8.0</b>	<b>145.0</b>	<b>21.5</b>	<b>174.5</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The bureau provides the data processing services for the Fund. This requires conducting feasibility studies, system analyses, program design, documentation of automated systems, maintenance of existing systems, operation of

large computer facilities, instructing staff in the use of computers, and various support, security, and control functions.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF COMPUTING SERVICES**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>2</sup>
Capacity of mainframe computers (MIPS) <sup>1</sup>	57.1	57.1	49	50	51
Number of workstations connected to mainframes and minicomputers	800	800	1,240	1,500	1,800
Number of terminals	660	780	760	740	710
Number of microcomputers	570	790	1,200	1,753	2,000
Number of word processors	440	490	530	460	350
Number of installations/repair calls	3,867	4,373	4,400	4,600	4,900
Number of software consultations	3,800	9,500	11,000	11,931	13,601
Number of staff members in training	—	75	84	151	115

<sup>1</sup>Millions of instructions per second.

<sup>2</sup>Projection.

**WORK PROGRAM IN CALENDAR 1988**

The major objectives of the work program of the BCS in CY 1988 were to: sharpen the focus of systems development efforts, including the implementation of stricter expenditure control procedures; improve performance and operations in the production environment; maintain the existing level of user support services; and design and implement a strategic planning process.

The focus of the development program was on projects that facilitated the country and economic work of the Fund. A number of enhancements were made to the analytical and data management portions of the Economist's Workstation (EWS), and considerable resources were devoted to assisting economists with the conversion of country data to the EWS environment. The development of facilities to enable desk economists to access and identify more easily time series contained in the Economic Information System (EIS) was continued. The program of revamping the current World Economic Outlook (WEO) system continued; definitions of a development approach were agreed upon and limited prototyping was begun.

In other development areas, a centralized property administration system was completed; and the Repurchase/Repayment facility for the Treasurer's Department was connected to the Rates Maintenance System. Work continued in the IMF Institute to automate the management of applicants and participants and to facilitate translation and transcription in the Bureau of Language Services.

In the production environment, progress was made toward the objectives of reducing peak load problems and improving work performance through the implementation of a new organizational structure. These efforts included: improving the efficiency of application systems, including the EIS and administrative systems; rescheduling the production cycles of some components of the EIS; transferring work from the IBM 3081 to the Unisys computer; and reducing the load on the IBM 3081 by transferring work to the IBM 9370. In addition, the consolidation of two data centers into a new location has resulted in lower operating costs and higher operating efficiencies.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

The primary objectives for FY 1990 will be to: continue the cautious approach to initiating new systems development efforts and carefully monitor ongoing development efforts; further refine the production management effort which was initiated in FY 1989; maintain an adequate level of user support services, and build upon the strategic planning efforts initiated in CY 1988.

The emphasis will shift from building traditional departmental systems to developing individual workstations equipped with automated tools. Further improvements are likely in economic applications to facilitate the data management and sharing capabilities of Fund economists. Enhancements are planned for EWS to satisfy economists' analytical and reporting needs, and the creation of country desk data

bases will continue but at a less intensive rate. In the financial accounting operations and administrative areas, some systems development may take place at a reduced pace, subject to justification.

In the production environment, the focus will be on further improving the efficiency and control of production systems and computer operations. Finally, efforts to build on the strategic and user planning efforts initiated in CY 1988 will continue. These will include a study to define the overall institutional requirements for networking microcomputers and the preparation of additional status and technology reports.

It is proposed to reduce the Bureau's staff ceiling by 2 positions.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF LANGUAGE SERVICES**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,063	4,352	4,378	26	0.6
Other personnel expenses	2,641	2,411	2,108	-303	-12.6
Business travel	89	252	67	-185	-73.4
Other travel	618	668	703	35	5.2
Data processing	149	410	130	-280	-68.3
Other administrative expenses	1,180	1,300	1,400	100	7.7
<b>Total</b>	<b>8,740</b>	<b>9,393</b>	<b>8,786</b>	<b>-607</b>	<b>- 6.5</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	1	2.5	2	5.5	-0.5	1	2	2	5
Arabic Section	—	2	4	6	-1	—	3	2	5
Interpretation Section	—	8	1	9	—	—	8	1	9
Reference, Terminology and Documentation Section	—	3	7	10	—	—	3	7	10
English Division	1	8.5	5	14.5	-0.5	1	9	4	14
French Division	1	17	13	31	—	1	20	10	31
Spanish Division	1	11	7	19	-1	1	12	5	18
<b>Total staff ceiling</b>	<b>4</b>	<b>52</b>	<b>39</b>	<b>95</b>	<b>-3</b>	<b>4</b>	<b>57</b>	<b>31</b>	<b>92</b>
Effective manpower estimates <sup>1</sup>	4.0	42.2	36.7	82.9	—	4.0	48.2	30.7	82.9
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	9.5	9.3	18.8	+1.3	—	13.2	6.9	20.1
Overtime	—	—	1.3	1.3	+0.2	—	—	1.5	1.5
<b>Total effective manpower</b>	<b>4.0</b>	<b>51.7</b>	<b>47.3</b>	<b>103.0</b>	<b>+1.5</b>	<b>4.0</b>	<b>61.4</b>	<b>39.1</b>	<b>104.5</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The functions of the bureau are to provide (a) translations into Arabic, Chinese, English, French, German, Portuguese, Spanish, and occasionally other languages, as required, at the request of Executive Directors and depart-

ments; and (b) simultaneous, and occasionally consecutive, interpretation into Arabic, English, French, and Spanish, mainly for IMF Institute courses, Annual Meetings, and meetings of the Interim and Development Committees.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF LANGUAGE SERVICES**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Translation (thousand words)					
Requests received	10,808	11,162	10,214	9,984	10,882
Output by type of contract	10,907	10,016	10,747	10,636	11,200
Regular staff	(6,447)	(6,262)	(6,825)	(7,227)	(7,810)
Temporary in-house	(2,875)	(2,285)	(2,702)	(2,519)	(2,710)
Outside	(1,585)	(1,469)	(1,220)	(890)	(680)
Completed but not dispatched at year-end	1,335	1,471	1,014	951	520
Interpretation (man-days)					
By BLS staff	581	610	584	653	615
By other	82	37	61	106.5	87

<sup>1</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, requests for translation fell by 2 percent instead of increasing by 18 percent as forecast, but output remained at about the same level as the previous year (10.64 million words in 1988 compared with 10.75 million words in 1987). The difference between total requests and total output reflects a reduction in the accumulated backlog from 0.72 million words at the end of 1987 to 0.05 million words at the end of 1986.

The work load for interpretation in 1988 increased by 17 percent (759 man-days in 1988 compared with 645 man-days in 1987). The largest increases were for interpretation into English and Spanish for the IMF Institute, which rose by 35 percent and 32 percent, respectively over 1987.

offset slightly by a decline for interpretation into Arabic. Another major factor accounting for the increase was the overseas venue for the Annual Meetings.

In addition to its regular work load, other services provided by the bureau included (i) assistance with drafting and editing of correspondence, aide memoires and other documents; (ii) updating of documents already translated; (iii) participation in two African Department missions; and (iv) translation of speeches for the Managing Director in close collaboration with the External Relations Department.

Productivity gains and increased efficiencies were achieved through networking and word processing.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

The outlook for FY 1990 is for an overall increase in translation requests of about 9 percent. In this regard, a review of the translation requirements of both major user groups—Executive Directors and departments—is planned to determine what requirements could be eliminated.

Interpretation assignments are expected to decline by about 7 percent, mainly reflecting lower requirements for the IMF Institute and for joint Bank-Fund meetings. Requests for assistance with drafting, editing and updating will remain at about the same level as in 1988, while the need for

providing on-site translation and interpretation for African Department missions, particularly those to Portuguese-speaking countries, is expected to intensify.

The bureau's automation efforts will be mainly concentrated on developing the ALPS machine-assisted translation system. It is proposed to reduce the staff ceiling by eliminating 3 positions. Total manpower available to the bureau is estimated to increase by 1.5 man-years to 104.5 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF STATISTICS**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,500	5,781	5,861	80	1.4
Other personnel expenses	3,524	3,294	2,870	- 424	-12.9
Business travel	612	514	522	8	1.6
Other travel	613	631	516	- 115	-18.2
Data processing <sup>1</sup>	2,429	4,263	1,393	-2,870	-67.3
Other administrative expenses	2,134	2,393	2,613	220	9.2
<b>Total</b>	<b>14,812</b>	<b>16,876</b>	<b>13,775</b>	<b>-3,101</b>	<b>-18.4</b>

<sup>1</sup> Contributing to the lower EDP expenses for FY 1990 are the transfer of equipment maintenance costs to BCS and the lower mainframe expenses resulting from improvements in the EIS software introduced during FY 1989.

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	4	9	18	+1	5	5	9	19
Balance of Payments Division	1	15	5	21	—	1	15	5	21
Financial Institutions Division	1	16	12	29	—	1	16	12	29
General Economy Division	1	8	8	17	—	1	8	8	17
Government Finance Division	1	10	6	17	-2	1	8	6	15
International Banking and External Debt Division	1	9	4	14	—	1	9	4	14
<b>Total staff ceiling</b>	<b>10</b>	<b>62</b>	<b>44</b>	<b>116</b>	<b>-1</b>	<b>10</b>	<b>61</b>	<b>44</b>	<b>115</b>
Effective manpower estimates <sup>1</sup>	9.5	58.2	41.2	108.9	-1	9.5	57.2	41.2	107.9
Economist and Summer Intern Programs	—	2.3	—	2.3	+0.2	—	2.5	—	2.5
Consultants	0.2	—	—	0.2	+0.8	1.0	—	—	1.0
Temporary Assistance	—	0.2	3.1	5.3	+1.9	—	1.2	6.0	7.2
Overtime	—	—	1.0	1.0	—	—	—	1.0	1.0
<b>Total effective manpower</b>	<b>9.7</b>	<b>60.7</b>	<b>47.3</b>	<b>117.7</b>	<b>+1.9</b>	<b>10.5</b>	<b>60.9</b>	<b>48.2</b>	<b>119.6</b>

<sup>1</sup> The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main functions of the bureau are to assemble and maintain the Fund's principal computerized data base of internationally comparable statistics relating to member countries, as well as regional and global aggregates, for the purpose of economic analyses within the Fund; to publish such statistics in *International Financial Statistics (IFS)*; *Direction of Trade Statistics (DOTS)*; *Balance of Payments Statistics (BOPS)*; and *Government Finance Statistics (GFS)*;

to maintain a worldwide network of official statistical correspondents; to prepare documentation on concepts and standards for data compilation; to provide member countries with technical assistance in statistics; to train national technicians through IMF Institute courses; and to maintain liaison with international agencies, including the United Nations, the BIS, the OECD, the European Communities, and the World Bank in the field of economic statistics.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**BUREAU OF STATISTICS**  
**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>3</sup>
Number of times series maintained (in thousands)	880	900	980	1,100	1,200
Number of countries with an IFS page	137	137	137	141	143
Number of countries and entities for which data are maintained	187	189	189	189	189
Number of statistical volumes published (issues)	43	43	43	43	42
Countries assisted <sup>1</sup>	64	57	53	44	40
Mission travel (overseas trips) <sup>2</sup>	96	83	76	68	72

<sup>1</sup>Number of countries visited under the program of technical assistance in statistics.

<sup>2</sup>A9-B5 staff trips only.

<sup>3</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the Bureau concentrated on maintaining and developing the Fund's primary data base in the Economic Information System (EIS), meeting country requests for technical assistance in statistics, developing statistical methodologies, producing the Fund's statistical publications and meeting the growing demands for support of area department data work. Although the number of banking centers reporting to the Fund under the International Banking Statistics (IBS) project remained at 32, additional steps were taken to improve the quality of the IBS data base. The Bureau initiated work on a small group of countries to compare and, where possible, reconcile data included in *Recent Economic Developments* papers with comparable series in the EIS.

The work of the Balance of Payments Division was rearranged to increase the emphasis given to global issues and country compilation problems. The Bureau also took steps to establish a small advisory body of national experts to serve the Fund in a consultative capacity on complex balance of payments methodology and compilation problems.

The Bureau continued to work on the revision of the United Nations' *A System of National Accounts (SNA)*. In this connection, the Bureau hosted and prepared the principal documentation for two meetings held at Fund headquarters in 1988, concerning public sector accounts and financial flows and balances.

The Bureau staff made 68 (76) visits to member countries, concentrating on improving the statistical base of those countries using or requesting the use of resources. The Bureau's staff also participated in 17 (17) Article IV consultation and use of Fund resources missions. In collaboration with the IMF Institute, Bureau staff conducted 2 (2) courses in Balance of Payments Methodology (English), 1 (1) course in Government Finance Statistics (Spanish) and 1 (1) course in Money and Banking Statistics, the first to be given in French. They also assisted in 4 (2) regional training courses in statistics and conducted a seminar in local government finance statistics in Venezuela. In addition to the regular statistical publications, two Supplements to IFS were issued.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

In FY 1990, the Bureau will focus on achieving greater integration of data between the EIS, the area desk economists, data bases and other Fund-wide data bases requiring international comparability, principally the WEO. In this connection, the Bureau will undertake a comprehensive review to identify ways in which greater use can be made of the Bureau's centralized data collection processes.

A continuing strong demand for technical assistance in statistics is anticipated in FY 1990. Emphasis will be placed on the data needs of countries either with Fund programs or which are at the negotiating stage, especially the ESAF countries. The Bureau will participate in the final phases of work on the revision of the *SNA*, including a review of the first complete draft of the revised *SNA* document, and will undertake work on statistical methodologies, including the

revision of the *Balance of Payments Manual* and the *Guide to Money and Banking Statistics in IFS*.

Pending results of the survey of Fund statistical publications, 41 monthly and annual issues, and one Supplement to IFS are scheduled for publication in FY 1990. The Bureau will conduct, in collaboration with the IMF Institute, one course in Money and Banking Statistics, two courses in Balance of Payments Methodology, and one course in Government Finance Statistics.

A reduction of one position in the staff ceiling is proposed, as a result of the termination by the IBRD of the cost-sharing arrangement with the Fund concerning statistics on capital expenditure and local government. Total manpower available to the Bureau will increase by 1.9 man-years to 119.6 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**OFFICE IN EUROPE**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	1,116	1,036	1,048	12	1.2
Other personnel expenses	613	523	450	-73	-14.0
Business travel	65	40	30	-10	-25.0
Other travel	48	52	51	-1	-1.9
Data processing	5	36	10	-26	-72.2
Other administrative expenses	550	533	535	2	0.4
<b>Total</b>	<b>2,397</b>	<b>2,220</b>	<b>2,124</b>	<b>-96</b>	<b>- 4.3</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	3	4	7	14	—	3	4	7	14
Effective manpower estimates <sup>1</sup>	3.0	3.9	7.0	13.9	+0.1	3.0	4.0	7.0	14.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	0.7	0.7	+0.2	—	—	0.9	0.9
Overtime	—	—	0.2	0.2	+0.1	—	—	0.3	0.3
<b>Total effective manpower</b>	<b>3.0</b>	<b>3.9</b>	<b>7.9</b>	<b>14.8</b>	<b>+0.4</b>	<b>3.0</b>	<b>4.0</b>	<b>8.2</b>	<b>15.2</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The main functions of the office are to maintain close contact with European monetary authorities and with international and regional institutions, such as the OECD, the EC, the BIS, and the Group of Ten; to keep management informed of developments in Europe and of the views of

European authorities; to act as a Fund information office in Europe; and to provide administrative support to headquarters, e.g., in recruitment and in organizing Fund-sponsored meetings in Paris.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**OFFICE IN EUROPE**

**Selected Work Load Indicators**

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Meetings attended	196	180	168	176	175
Missions assisted	34	38	32	38	35
Headquarters staff assisted	1,090	965	1,005	855	900

<sup>1</sup>Projection.

**WORK PROGRAM IN CALENDAR YEAR 1988**

Relations with the OECD, EC and BIS continued to take up the bulk of the staff's time, particularly in monitoring and participating in work related to (i) surveillance of macroeconomic and structural policies and developments in industrial countries; (ii) economic and financial integration and coordination; (iii) developments in financial markets and regulations, trade in goods and services, and capital movements; and (iv) relations with developing countries. Work for the Group of Ten (G-10), for which one staff member acts as Secretary, was particularly heavy in relation to the Deputies' ongoing study on the role of the Fund and the Bank in the context of the debt strategy. Office staff was also heavily involved in the various stages of headquarters' missions and/or projects in areas such as Paris Club debt reschedulings, capital markets, trade, and recruitment.

In the field of information, the frequency of press queries and the number of visitors to the documentation center

remained high, the office expanded contact with nongovernmental organizations, and requests for lectures by the staff continued at a high level, but staffing constraints required that the office adopt a more selective approach when accepting speaking engagements.

Administrative support to headquarters continued to claim a large part of the staff's time. The office provided secretarial and other support for a large number of visits by management and staff, as well as for many consultants and technical assistants. Support staff continued to participate in other departments' missions and to help service the Annual Meetings. A large volume of applications for Fund employment continued to be processed directly by the office, and the office staff was also called upon to service a number of meetings and press conferences on a variety of matters.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

In the coming year, contacts with the OECD, EC and BIS in relation to macroeconomic, structural and regional policies and developments, debt and aid matters, and finance and trade issues, will account for most of the staff's time. Work on G-10 Secretariat matters, information, recruitment and technical assistance, and other help to headquarters to assure Fund representation at special meetings, the

undertaking of research, the provisions of administrative assistance, etc., is also expected to absorb an important share of the staff's time.

No increase in the staff ceiling is proposed for FY 1990. Total manpower available is estimated to increase by 0.4 man-years to 15.2 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**OFFICE IN GENEVA**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	609	532	565	33	6.2
Other personnel expenses	303	259	226	-33	-12.7
Business travel	44	50	48	-2	-4.0
Other travel	21	22	22	—	—
Data processing	2	2	2	—	—
Other administrative expenses	106	110	109	-1	-0.9
<b>Total</b>	<b>1,085</b>	<b>975</b>	<b>972</b>	<b>-3</b>	<b>-0.3</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	2	1	3	6	—	2	1	3	6
Effective manpower estimates <sup>1</sup>	1.6	1.0	3.0	5.6	+0.4	2.0	1.0	3.0	6.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	—	—	+0.2	—	—	0.2	0.2
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
<b>Total effective manpower</b>	<b>1.6</b>	<b>1.0</b>	<b>3.1</b>	<b>5.7</b>	<b>+0.6</b>	<b>2.0</b>	<b>1.0</b>	<b>3.3</b>	<b>6.3</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary functions of the office are to represent the Fund with such organizations as the ECE, the GATT, the ILO, and the UNCTAD, to attend meetings of these organizations, and to report to headquarters; to assist the Exchange and Trade Relations Department in consultations with the GATT on balance of payments restrictions; to collaborate with the Research Department on issues relating to commodity problems arising in the UNCTAD, the GATT, FAO, the World Food Council, and other interna-

tional fora; to cooperate with the African Department in representing the Fund at the round tables held in Geneva by the UNDP under the special new program of action for LDCs; to collaborate with the External Relations Department in attending meetings and seminars held in Geneva and elsewhere on matters of Fund interest; to provide information on the Fund to the public; and to provide various administrative services to visiting staff.

FY 1990 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN GENEVA

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Attendance at conferences and international meetings	128	123	164	112	126
Number of reports prepared	89	125	128	96	110

<sup>1</sup> Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the work load of the office continued to be heavy. The staff attended 112 (164 in 1987) conferences and meetings of other international organizations and prepared 96 (128) reports. Work was particularly demanding in the contacts with the GATT as negotiations under the Uruguay Round have gained momentum while routine activities remained heavy in other areas.

The office also attended several seminars and conferences, handled about 650 (600) requests for information, and contributed 7 (5) lectures at the GATT and other organizations' training courses.

WORK PROGRAM IN FINANCIAL YEAR 1990

The work program for FY 1990 is expected to be more demanding than that of the current financial year. GATT activities are expected to intensify, especially with full trade negotiations continuing under the Uruguay Round, and priority will be given to specific groups and committees established under the Round. UNCTAD and ILO will involve enhanced coordination and monitoring as these two institutions become increasingly active in areas of adjustment,

compensatory financing, debt, commodities, structural change, and employment. In addition, the office will continue to represent the Fund at seminars and meetings at universities and other fora.

No increase in the staff ceiling is proposed for FY 1990. Total manpower available is estimated to increase slightly by 0.6 man-years to 6.3 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**OFFICE OF THE INTERNAL AUDITOR**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	525	534	533	- 1	- 0.2
Other personnel expenses	293	269	234	- 35	- 13.0
Business travel	3	13	14	1	7.7
Other travel	84	94	95	1	1.1
Data processing	69	104	85	- 19	- 18.3
Other administrative expenses	225	302	311	9	3.0
<b>Total</b>	<b>1,199</b>	<b>1,316</b>	<b>1,272</b>	<b>- 44</b>	<b>- 3.3</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	1	7	1	9	—	1	7	1	9
Effective manpower estimates <sup>1</sup>	1.0	7.0	1.0	9.0	—	1.0	7.0	1.0	9.0
Consultants	0.2	—	—	0.2	—	0.2	—	—	0.2
Temporary Assistance	—	1.0	0.6	1.6	—	—	1.0	0.6	1.6
<b>Total effective manpower</b>	<b>1.2</b>	<b>8.0</b>	<b>1.6</b>	<b>10.8</b>	<b>—</b>	<b>1.2</b>	<b>8.0</b>	<b>1.6</b>	<b>10.8</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The Office of the Internal Auditor carries out the Fund's internal audit to assure the management of adherence to the policies and established procedures of the Fund. The office

also collaborates with the External Audit Committee in its annual audit of the financial statements of the Fund.

FY 1990 BUDGET BY UNIT OF ORGANIZATION

OFFICE OF THE INTERNAL AUDITOR

Selected Work Load Indicators

Indicator	Calendar Years				
	1985	1986	1987	1988	1989 <sup>1</sup>
Audit reports	29	35	46	46	49

<sup>1</sup> Projection.

WORK PROGRAM IN CALENDAR YEAR 1988

In 1988, the Office of the Internal Auditor has again undertaken a broad work program involving reviews of systems and procedures in connection with a number of different activities of the Fund. Systems based audits continued on financial systems, and activities with respect to administrative audits and EDP systems development reviews were expanded further. A total of 49 audit reports were prepared in 1988 compared to 46 in 1987. Of these, 4 reports were administrative audits, 4 were EDP audits, 10 were financial systems reviews, 17 were financial transaction audits, and 2 were half-yearly reports to Management. The remaining 12 reports were on unscheduled work

undertaken regarding Quality Review Boards for EDP systems development, the Security Advisory Committee and the working Group for Disaster Recovery, and in response to ad hoc requests from departments and Management. Following the departure of the 1988 External Audit Committee (EAC) a new contract was negotiated with the outside certified public accounting firm and the selection of the 1989 EAC was completed. The work of the Internal Audit office and the public accounting firm provides a foundation upon which the external auditors base their opinion on the financial statements of the Fund.

WORK PROGRAM IN FINANCIAL YEAR 1990

The work program of the Office of the Internal Auditor for FY 1990 will be comprehensive, encompassing a wide range of financial and administrative audits and EDP systems development reviews. In the latter area, reviews of the Procurement and Budgeting Systems and office automation in general will be undertaken, as well as providing an audit review of new EDP projects in the Treasurer's Department. It should also be noted that there are a number of financial areas utilizing new technologies that require re-

views; namely the Enhanced Structural Adjustment Facility and the Voluntary Contribution Accounts which will be placed on the audit agenda. Throughout the year, the office will continue to collaborate closely with the independent accountants to ensure that there is no overlapping of work while maintaining a comprehensive coverage of all the Fund's activities.

No increase in the staff ceiling is proposed. Total manpower available to the office will remain at 10.8 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**INVESTMENT OFFICE — STAFF RETIREMENT PLAN**

**Estimated Expenses**

Type of expense	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	167	221	216	- 5	- 2.3
Other personnel expenses	87	121	105	-16	-13.2
Business travel	15	15	16	1	6.7
Other travel	21	22	22	—	—
Data processing	14	18	7	-11	-61.1
Other administrative expenses	5,414	81	113	32	39.5
<b>Total</b>	<b>5,718</b>	<b>478</b>	<b>479</b>	<b>1</b>	<b>0.2</b>

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	1	2	1	4	—	1	2	1	4
Effective manpower estimates <sup>1</sup>	1.0	1.8	0.8	3.6	+0.1	1.0	1.7	1.0	3.7
Temporary Assistance	—	—	0.3	0.3	-0.2	—	—	0.1	0.1
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
<b>Total effective manpower</b>	<b>1.0</b>	<b>1.8</b>	<b>1.2</b>	<b>4.0</b>	<b>-0.1</b>	<b>1.0</b>	<b>1.7</b>	<b>1.2</b>	<b>3.9</b>

<sup>1</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

**SUMMARY OF FUNCTIONS**

The primary function of the Investment Office is to advise the Investment Committee on the overall management of the investment program of the Staff Retirement Plan (SRP). It is also the responsibility of the office to oversee and

monitor the investments and performance of both the total SRP portfolio and the portfolio of each individual investment manager.

**INVESTMENT OFFICE — STAFF RETIREMENT PLAN**

**WORK PROGRAM IN CALENDAR YEAR 1988**

In 1988, the efforts of the Investment Office and the Investment Committee were directed towards maintaining and developing policies and strategies and portfolio adjustments in the Retirement Fund of the Staff Retirement Plan (SRP) with the purpose of reducing portfolio risk while at the same time enhancing the longer-term return potential. A number of steps were taken to increase portfolio diversification with the most significant moves made in the real estate sector, where commitments were made to two new investment funds, and the incorporation of a new venture capital investment sector. In addition, a new tactical asset

allocation strategy was developed and implemented, which will systematically adjust the allocation of funds between investment sectors to provide positive incremental returns over time. A number of investment manager changes, both in the U.S. and non-U.S. equity sectors and in the U.S. fixed-income sector, were implemented. Significant changes were also made with respect to the administration of the investment program, and improvements were made to in-house computer and performance measurement systems.

**WORK PROGRAM IN FINANCIAL YEAR 1990**

In FY 1990, a more extensive work program is envisaged for the Investment Office as a result of a number of factors including (i) the large size of the Retirement Fund; (ii) the increasing complexity and volatility of world-wide capital markets; (iii) the development of new, and often complex, investment concepts and strategies; (iv) the increasing diversification in the allocation of Retirement Fund assets; and, most importantly, (v) necessary changes in the investment program to improve the long-term performance capabilities and risk exposure of the Retirement Fund. The major new areas of focus in FY 1990 will be (i) the consideration, evaluation, and/or development of new investment approaches and strategies in the non-U.S. equity and fixed-

income sectors; (ii) the continued diversification of investment into real estate and venture capital and consideration of additional avenues for effective diversification; (iii) the development and maintenance of rosters of potential new managers for each of the various sectors of the Retirement Fund to provide increased flexibility and to make timely decisions on investment manager relationships; and (iv) the review of the appropriateness and safety of the custodial procedures and financial control over the investment assets. No increase in the staff ceiling is proposed for FY 1990. Total manpower available is estimated to decrease slightly by 0.1 man-years to 3.9 man-years.

**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**SUPPORT GROUP<sup>1</sup>**

**Personnel Ceilings  
(man-years)**

Unit	FY 1989				Change FY 1989 to FY 1990	FY 1990			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Resident Representatives & Advisors	1	26	—	27	+5	1	31	—	32
Secretarial Staff:									
Permanent Secretarial Staff <sup>1</sup>	—	1	13.5	14.5	-0.5	—	1	13	14
Former Secretarial Assistants <sup>2</sup>	—	—	14	14	—	—	—	14	14
Subtotal	—	1	27.5	28.5	-0.5	—	1	27	28
Total staff ceiling	1	27	27.5	55.5	+4.5	1	32	27	60
Effective manpower estimates <sup>3</sup>				53.2	+0.8				54.0
Other <sup>4</sup>				-47.7	+2.7				-45.0
Total effective manpower <sup>5</sup>				5.5	+3.5				9.0

<sup>1</sup>Includes head of unit.

<sup>2</sup>Former secretarial assistants who were absorbed into the staff in accordance with the rules approved by the Executive Board in the FY 1968 budget document. The number shown is the average number of incumbents in FY 1989. The ceiling may vary during the year, e.g. when a former secretarial assistant is absorbed into the secretarial staff, the ceiling is raised by one position; similarly the departure of an incumbent automatically reduces the ceiling by one position.

<sup>3</sup>The differences between staff ceilings and effective manpower reflect estimated vacancies.

<sup>4</sup>Reflects man-years which have been distributed among the units of organization on the basis of actual and estimated usage of the Support Group Staff.

<sup>5</sup>Reflects man-years which have not been distributed among the units of organization.

**SUMMARY OF FUNCTIONS AND WORK PROGRAM IN CALENDAR YEAR 1988  
AND FINANCIAL YEAR 1990**

**RESIDENT REPRESENTATIVES & ADVISORS**

Resident representatives and advisors are assigned, upon request of the authorities concerned, to help countries in developing and implementing adjustment policies, to provide assistance on special projects, and to follow developments and gather information of interest to the Fund.

The FY 1990 administrative budget makes provision for 32 positions, an increase of 5 positions over the

27 authorized in FY 1989. All 5 positions are undesignated, although it is expected that the majority will be allocated to the African and Western Hemisphere Departments, whose countries are heavily involved in Fund programs.

A summary of assignments anticipated in FY 1990 compared with FY 1989 assignments is shown in the table on the next page.

**SECRETARIAL STAFF**

This unit provides temporary secretarial assistance to Executive Directors and departments during periods of heavy work load and when staff are on leave, so as to minimize reliance on less efficient temporary help hired on a day-to-day basis from commercial agencies.

In 1988, this unit provided 21 man-years of secretarial support (23 man-years in 1987). However, it was necessary to supplement the Secretarial Support Group with 50 (51) man-years of temporary agency help hired on a day-to-day basis.

<sup>1</sup>As noted on page 46, the cost of the two support units is spread among the units of organization on the basis of current and anticipated assignments of resident representatives and usage of secretarial support unit staff, respectively; therefore, a table of estimated expenses

is not shown here. However, the estimated total cost of representative and advisor posts is given on page 29 in connection with operations and relations with member countries.

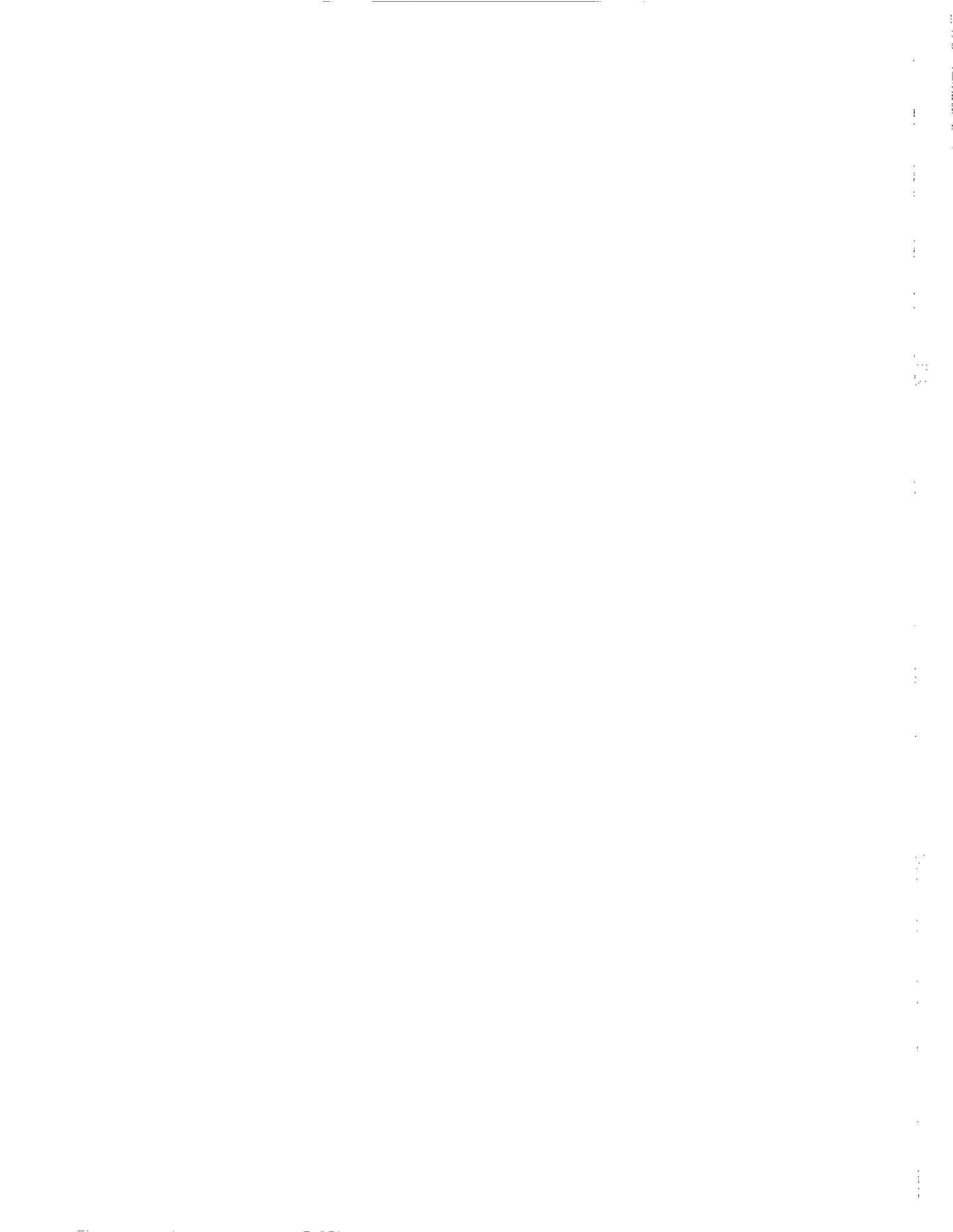
**FY 1990 BUDGET BY UNIT OF ORGANIZATION**

**SUPPORT GROUP**

**Resident Representatives and Advisors**

**Comparison of Anticipated Assignments in FY 1990  
with Authorized Assignments in FY 1989**

Countries	FY 1989	Change FY 1989 to FY 1990	FY 1990
<b>African Countries</b>			
Cameroon	Representative		Representative
Côte d'Ivoire	Representative		Representative
Ghana	Representative		Representative
Guinea	Advisor		Advisor
Liberia	Representative		Representative
Mali	Representative		Representative
Senegal	Representative		Representative
Sierra Leone	Representative		Representative
Somalia	Representative		Representative
Uganda	Representative		Representative
Zaire	Representative		Representative
Zambia	Representative		Representative
<b>Asian Countries</b>			
Bangladesh	Representative		Representative
Indonesia	Representative		Representative
Nepal	Representative		Representative
Philippines	Representative		Representative
Sri Lanka	Representative		Representative
Western Samoa	Representative		Representative
<b>Middle Eastern Countries</b>			
Egypt	Representative		Representative
Sudan	Representative		Representative
<b>Western Hemisphere Countries</b>			
Bolivia	Representative		Representative
Chile	Representative		Representative
Costa Rica	Representative		Representative
Haiti	Representative		Representative
Jamaica	Representative		Representative
Uruguay	Representative		Representative
<b>Undesignated Countries</b>	<u>1</u>	<u>+ 5</u>	<u>6</u>
<b>TOTAL</b>	27	+ 5	32



## FY 1990 BUDGET BY OBJECT OF EXPENSE

This section of the administrative budget provides the underlying proposals for expenditure in FY 1990 for each category of administrative budget expense. Expenses are classified into three broad groups—personnel expenses, travel expenses, and other administrative expenses—and further subdivided into ten categories of expense which provide the basis for the Executive Board decision on page 14. This section of the document contains detailed information in support of the expenditure proposals for each budget category. It should be noted that the budget proposals exclude any provision for an overall salary adjustment.

In accordance with the Fund's accounting procedures, expenses are charged to the accounts on an accrual basis. This means that the timing of the receipt of the particular good or service, and not that of the actual cash payment, determines the recording of the expense in the financial year. This method of recording requires that goods and services received after the end of the financial year be included in the following financial year. The FY 1989 estimates of expenditure contained in this section reflect actual expenses through January 1989 and estimates of expected expenses during the period February–April 1989.

The chart shows the trend of administrative expenses over the past decade, and the relative movements of major cost elements within the overall trend unadjusted for inflation but adjusted for timing differences associated with retroactive salary adjustments (see appendix IV, pages 124–125).

During the first six years of the decade, total expenses increased from \$107.6 million to \$244.3 million or 14.6 percent per annum (compounded). Over the same period of time, the Washington, D.C. area consumer prices increased 5.3 percent per annum (compounded).

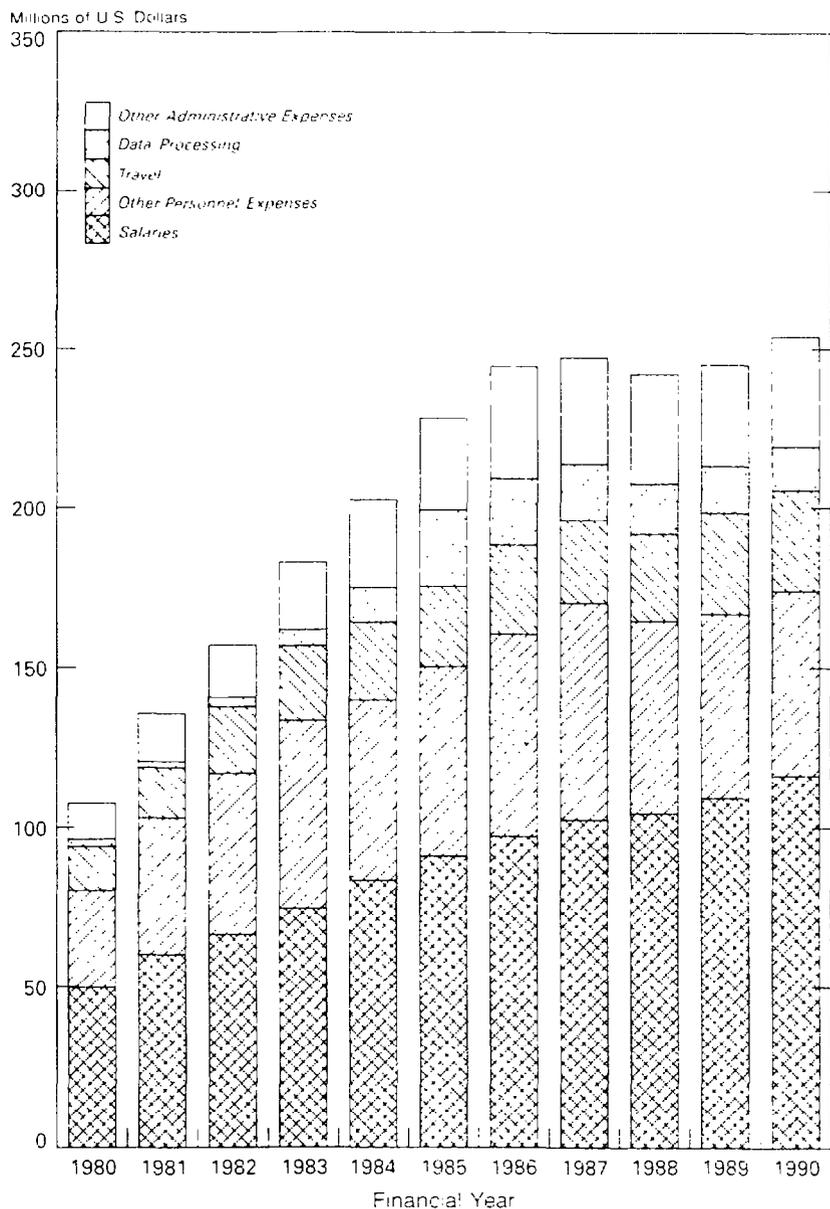
The largest increases in the Fund's expenses occurred in the salary and other personnel expenses, \$47.5 million and \$32.6 million respectively, reflecting the increase in workload and the associated increases in Fund staff, other manpower, and organizational units. Travel costs also increased by \$13.8 million. In percentage terms, however, the largest increases occurred during this period in electronic data processing (EDP) expenses and in other administrative expenses which include building operations.

EDP expenses rose nearly tenfold (from \$2.2 million in FY 1980 to \$20.8 million in FY 1986) reflecting the introduction of new technology and the establishment of the Bureau of Computing Services. In the area of building operations, an extension was added to the headquarters building and rental space has been acquired in order to accommodate the increases in personnel and automation equipment. Altogether, other administrative expenses, excluding EDP, more than tripled (from \$11.2 million in FY 1980 to \$35.6 million in FY 1986).

In contrast to the period FY 1980 – FY 1986, during the past three years there has been little growth in total expenses. FY 1989 expenses are estimated to be \$245.0 million compared to \$244.3 million in FY 1986; an increase of \$0.6 million or 0.1 percent over three years. Increases in salaries (+\$12.1 million or 12.4 percent) and travel (+\$3.9 million or 14.3 percent) have been offset by decreases in EDP, other personnel, and other administrative expenses. The largest decrease in both absolute and percentage terms has occurred in EDP expenses (–\$6.3 million or –30.6 percent) reflecting the completion of major development projects and a decline in the purchase of equipment and services. Other personnel expenses decreased by \$5.7 million (–9.0 percent) due in part to changes in the accounting and good investment experience for the Staff Retirement Plan. Other administrative expenses also decreased during this period by \$3.3 million (–9.4 percent).

In FY 1990, total expenses are projected to increase by 3.6 percent (\$8.7 million) which is lower than the projected rate of inflation. Increases in salaries, travel, and other administrative expenses will be offset by decreases in EDP and other personnel expenses.

**Administrative Budget Trends**  
FY 1980–FY 1990<sup>1</sup>



<sup>1</sup>Includes \$11.9 million for a possible salary adjustment.

## FY 1990 BUDGET BY OBJECT OF EXPENSE

(In thousands of U.S. dollars)

Object of Expense	FY 1988 Actual Expenses <sup>1</sup>	FY 1989			FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
		Original Budget	Revised Budget <sup>2,3</sup>	Estimated Expenses <sup>3</sup>		Increase Decrease (-)	Percent Change
<b>I. PERSONNEL EXPENSES</b>							
<b>A — SALARIES</b>							
Executive Directors, Alternates, and Advisors	4,971	5,050	5,300	5,230	5,470	240	4.6
Assistants to Executive Directors	4,481	4,560	4,700	4,650	4,760	110	2.4
Staff	89,036	92,130	92,860	92,320	92,590	270	0.3
Experts and consultants	5,892	8,050	8,050	7,000	7,550	550	7.9
Total	104,380	109,790	110,910	109,200	110,370	1,170	1.1
<b>B — OTHER PERSONNEL EXPENSES</b>							
Dependency allowances	3,343	3,490	3,520	3,430	3,580	150	4.4
Settlement allowances and grants	7,987	7,045	8,245	8,080	6,280	-1,800	-22.3
Overseas allowances	2,866	3,080	3,080	2,680	2,980	300	11.2
Children's education allowances	2,641	3,030	3,030	2,985	3,170	185	6.2
Study allowances and training	837	1,305	1,305	1,025	1,145	120	11.7
IMF Institute living allowances	886	1,050	1,050	1,010	1,040	30	3.0
Tax allowances	11,271	10,450	10,125	9,310	9,200	-110	-1.2
Retirement contributions	19,167	20,120	20,670	20,540	14,100	-6,440	-31.4
Termination incentives	5,391	1,500	1,500	1,250	1,500	250	20.0
Health benefits	4,626	5,455	5,900	5,890	7,095	1,205	20.5
Life insurance and death benefits	194	195	250	250	220	-30	-12.0
Social and welfare expenses	214	290	290	240	300	60	25.0
Food services	609	730	875	875	990	115	13.1
Total	60,230	57,740	59,840	57,565	51,600	-5,965	-10.4
Total Personnel Expenses	164,609	167,530	170,750	166,765	161,970	-4,795	-2.9
<b>II. TRAVEL EXPENSES</b>							
<b>C — BUSINESS TRAVEL</b>							
Meetings of Governors	1,553	3,740	3,720	3,720	1,925	-1,795	-48.3
Other business travel	13,227	13,400	15,100	15,100	16,600	1,500	9.9
Total	14,781	17,140	18,820	18,820	18,525	-295	-1.6
<b>D — OTHER TRAVEL</b>							
Settlement travel	5,083	5,500	5,500	5,160	5,100	-60	-1.2
Home leave travel	4,932	5,300	5,300	5,300	5,470	170	3.2
Miscellaneous travel	2,140	2,290	2,290	2,270	2,500	230	10.1
Total	12,155	13,090	13,090	12,730	13,070	340	2.7
Total Travel Expenses	26,936	30,230	31,910	31,550	31,595	45	0.1
<b>III. OTHER ADMINISTRATIVE EXPENSES</b>							
<b>E — COMMUNICATIONS</b>							
Postage and freight	2,439	3,030	3,050	3,045	3,140	95	3.1
Telephone	2,057	2,290	2,270	2,040	2,225	185	9.1
Telegraph	1,283	1,340	1,340	1,265	1,150	-115	-9.1
Total	5,780	6,660	6,660	6,350	6,515	165	2.6
<b>F — BUILDING OCCUPANCY</b>							
Maintenance and operation	5,829	6,685	6,800	6,730	7,290	560	8.3
Utilities	2,248	2,730	2,400	2,315	2,505	190	8.2
Alterations	2,546	2,395	2,920	2,920	2,420	-500	-17.1
Rentals	2,300	3,610	3,300	3,100	4,535	1,435	46.3
Total	12,925	15,420	15,420	15,065	16,750	1,685	11.2
<b>G — BOOKS AND PRINTING</b>							
Books and periodicals	804	850	870	870	940	70	8.0
Contractual printing	1,140	1,340	1,320	1,320	1,390	70	5.3
Total	1,944	2,190	2,190	2,190	2,330	140	6.4
<b>H — SUPPLIES AND EQUIPMENT</b>							
Purchase of furniture and equipment	1,838	2,170	2,330	2,330	1,445	-885	-38.0
Rental of equipment	1,111	545	195	125	155	30	24.0
Maintenance of equipment	306	545	735	735	995	260	35.4
Expendable supplies	1,785	1,910	1,910	1,885	2,105	220	11.7
Total	5,040	5,170	5,170	5,075	4,700	-375	-7.4
<b>I — DATA PROCESSING</b>							
Fund computer facilities	4,243	5,550	5,550	5,100	4,800	-300	-5.9
Contractual support	3,615	3,320	3,320	1,880	1,700	-180	-9.6
Other data processing	7,942	7,520	7,520	7,430	7,200	-230	-3.1
Total	15,800	16,390	16,390	14,410	13,700	-710	-4.9
<b>J — MISCELLANEOUS</b>							
Representation	796	760	760	715	840	125	17.5
Insurance	795	895	970	965	960	-5	-0.5
Miscellaneous contractual services	7,640	2,215	2,540	2,245	2,725	480	21.4
Sundries	(263)	(230)	(230)	(380)	(265)	115	30.2
Total	8,968	3,640	4,040	3,545	4,260	715	20.2
Total Other Administrative Expenses	50,456	49,470	49,870	46,635	48,255	1,620	3.5
TOTAL BUDGET	242,001	247,230	252,530	244,950	241,820	-3,130	-1.3

<sup>1</sup>Due to rounding, details may not add to totals.

<sup>2</sup>Includes supplementary appropriations of (i) \$4,900,000 for the 1988 general salary adjustment (EBM/88/79, 5/18/88); and (ii) \$400,000 of additional expenses for a staff compensation survey (EBM/88/136, 9/1/88).

<sup>3</sup>Reflects transfers of appropriations as approved at EBM/89/40 (March 29, 1989).

## FY 1990 BUDGET BY OBJECT OF EXPENSE

### I. PERSONNEL EXPENSES

#### A — SALARIES

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget <sup>1</sup>	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
				(In thousands of U.S. dollars)	
Executive Directors, Alternates, and Advisors	4,971	5,230	5,470	240	4.6
Assistants to Executive Directors	4,481	4,650	4,760	110	2.4
Staff	89,036	92,320	92,590	270	0.3
Technical assistance experts and consultants	5,892	7,000	7,550	550	7.9
Total	104,380	109,200	110,370	1,170	1.1

<sup>1</sup>Excludes any provision for an overall salary adjustment.

**Executive Directors, Alternates, and Advisors** In FY 1990, the amount budgeted for the remuneration of Executive Directors, Alternates, and Advisors is based on the cost of a 22-member Executive Board and of some 27 Advisors. At present, the costs of 3 Board members are shared with the World Bank. It is projected that expenditures for Board members and Advisors in FY 1990 will be equivalent to 69.5 man-years compared with a total of 67.8 man-years in FY 1989.

**Assistants to Executive Directors** This account covers the cost of salaries of the Assistants to the Executive Directors, as well as Secretarial and Clerical Assistants. It includes provision for overlapping appointments and overtime, but excludes provision for temporary secretarial assistance which is included in the Staff Contingency Fund. At present, the cost of 2 Secretarial Assistants are shared with the World Bank. The budget estimate for FY 1990 is based on the assumption that total effective man-years excluding provision for temporary secretarial assistance will be about 118, compared with the total of 116 in FY 1989.

**Staff** The authorized ceiling for the current financial year is 1,721.5 positions. It is proposed to add 9 positions (net) in FY 1990, thus raising the staff ceiling to 1,730.5. The FY 1990 budget for staff salaries provides for the cost of 2,024.9 man-years compared with the cost of 2,020.6 man-years in FY 1989, and includes provision for temporary secretarial assistance for the offices of Executive Directors (8.3 man-years in FY 1989, 8.3 man-years in FY 1990). The increase of 4.3 man-years includes: (i) a net addition of 9 new positions; (ii) a projected reduction in existing vacancies by 4.6 man-years; (iii) an increase in the Economist, Summer Intern, and Special Appointee Programs by 2.6 man-years; (iv) an increase in paid overtime by 2.7 man-years; and (v) a reduction in temporary assistance by 14.6 man-years. Additional information regarding the total effective manpower, staff ceilings, and costs for each department, bureau, and office may be found in the section entitled "Budget by Unit of Organization."

In addition to the cost of regular staff (\$79,000,000), the main elements in the staff salaries account for FY 1990 are: the Economist Program (\$2,060,000), the Staff Contingency Fund, including provision for temporary staff charged against vacant positions (\$9,345,000), staff overtime (\$1,200,000), temporary staff hired in connection with the Annual Meetings (\$430,000), and various miscellaneous expenses including the cost of 5 special appointees, and the Fund's 50 percent share of the cost of the Office of the Executive Secretary.

The Economist Program is used to hire staff who are assigned to 2 departments for one year each before being placed in regular positions. In FY 1989, 23 economists will have been hired under this program, and 44 have been carried over from prior years, for a total of 46 man-years and a cost of \$1,970,000. The proposed budget for FY 1990 (\$2,060,000) provides for the carry over from FY 1989 of 47 economists and for the recruitment of up to 30 new staff, for a total of 48 man-years. The Summer Intern Program is used to hire graduate university students during the summer period. The proposed budget for FY 1990 (\$145,000) provides for 21 interns for a total of 5.2 man-years, same as in FY 1989. The Special Appointee Program is used to hire IMF Institute participants for a period of up to one year to provide extended training in Fund departments following the completion of Institute courses; no more than 5 trainees are accepted into the program at one time. The FY 1990 budget (\$190,000) provides for 5 trainees for a total of 4.6 man-years, compared with the FY 1989 estimate of \$170,000 for 5 trainees for a total of 4 man-years.

In FY 1989, it is expected that a total of 325 man-years of assistance will have been provided from the Staff Contingency Fund at an estimated cost of \$9,600,000. For FY 1990, a budget of \$9,345,000 is proposed, which will provide for 311 man-years of assistance consisting of 53 man-years for temporary staff charged against vacant positions, 40 man-years for leave replacements at A1-A8 levels, and 218 man-years for seasonal and special work load requirements. The latter figure includes about 100 man-years of data processing support.

## FY 1990 BUDGET BY OBJECT OF EXPENSE

The main factors accounting for the increase of \$270,000 in the FY 1990 budget for staff salaries are: the net cost of 9 new positions (+\$940,000), a reduction in the average vacancy rate (+\$230,000), one extra day in FY 1990 (+\$300,000), a reduction in the cost of temporary assistance (-\$255,000), and a savings from turnover of staff reflecting replacement of higher paid staff with lower paid staff (-\$1,200,000).

**Technical Assistance Experts and Consultants** This account covers the cost of salaries for central banking and fiscal experts, as well as the cost of the services of various consultants.

The budget proposed for FY 1990 includes \$7,550,000 for salaries for 80 man-years of central banking and 28 man-years of fiscal experts, as compared with the estimate of \$7,000,000 in FY 1989 for 78 man-years of assistance provided by central banking experts and 26 man-years by fiscal experts. Within the above numbers, the budget provides for 9 experts stationed at headquarters to carry out special projects.

The proposed budget for FY 1990 also includes \$1,400,000 for 17.8 man-years of consultants, compared with an estimated \$1,100,000 for 13.2 man-years in FY 1989. The FY 1990 budget provides for: the continuation of the chairman of the Grievance Committee, the Ombudsman, a legal service consultant to assist staff members, a consultant to advise on various staff development policies, and consultants and visiting professors in the Asian, European, Middle Eastern, Exchange and Trade Relations, Fiscal Affairs, Legal, Research, and Treasurer's Departments to advise on issues of current interest to the Fund. It also provides for consultants in the Bureau of Statistics, the Secretary's Department, and the Office of the Internal Auditor to advise on various issues related to their activities.

Overall, the budget provides for an increase of 8.6 man-years for technical assistance experts and consultants over the estimated total in FY 1989.

### B — OTHER PERSONNEL EXPENSES

Account	FY 1988 Actual Expenses <sup>1</sup>	FY 1989 Estimated Expenses	FY 1990 Proposed Budget <sup>2</sup>	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(In thousands of U.S. dollars)					
Dependency allowances	3,343	3,430	3,580	150	4.4
Settlement allowances and grants	7,987	8,080	6,280	-1,800	-22.3
Overseas allowances	2,866	2,680	2,980	300	11.2
Children's education allowances	2,641	2,985	3,170	185	6.2
Study allowances and training	837	1,025	1,145	120	11.7
IMF Institute living allowances	886	1,010	1,040	30	3.0
Tax allowances	11,271	9,310	9,200	-110	-1.2
Retirement contributions	19,167	20,540	14,100	-6,440	-31.4
Termination incentives	5,591	1,250	1,500	250	20.0
Health benefits	4,626	5,890	7,095	1,205	20.5
Life insurance and death benefits	194	250	220	-30	-12.0
Social and welfare expenses	214	240	300	60	25.0
Food services	609	875	990	115	13.1
<b>Total</b>	<b>60,230</b>	<b>57,565</b>	<b>51,600</b>	<b>-5,965</b>	<b>-10.4</b>

<sup>1</sup> Due to rounding, details do not add to total.

<sup>2</sup> Excludes any provision for an overall salary adjustment.

**Dependency Allowances** This account provides for the payment of spouse and dependency allowances to eligible Executive Board members, their Advisors and assistants, staff members, and technical assistance experts. The allowances are essentially 5 per cent of net annual salary with an annual maximum of \$3,000 for a spouse, \$420 per year for a child, and \$210 for each other dependent. In January 1989, a total of 1,514 persons were receiving dependency allowances (compared with 1,477 in January 1988).

**Settlement Allowances and Grants** This account provides for the payment of installation and resettlement allowances and settling-in and separation grants. It also

provides for the cost of accruals for unused annual leave and earned separation grants. During FY 1989, 248 (226 in FY 1988) present and former Executive Board members, Advisors, assistants, staff, and technical assistance experts are expected to receive installation and resettlement allowances, while separation grants will be paid to 48 (112) persons. The proposed budget of \$6,280,000 for FY 1990 incorporates fewer settlement payments to Executive Directors as it is a nonelection year, and includes \$2,970,000 for the estimated cost of accrued annual leave and separation grants which it is anticipated will accumulate in FY 1990 over and above what has been provided for through FY 1989.

## FY 1990 BUDGET BY OBJECT OF EXPENSE

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**Overseas Allowances** This account covers the cost of allowances paid to technical assistance experts and staff members on long-term overseas assignment. These allowances are intended to compensate for additional expenses and hardships for which provision is not otherwise made. In FY 1989, it is estimated that allowances will have been paid for a total of 23 man-years of staff overseas assignments and 97 man-years of expert assignments. The FY 1990 budget of \$2,980,000 provides for 26 staff and 99 expert man-years on overseas assignments.

**Children's Education Allowances** This account provides for the payment of grants towards the cost of tuition for children of Executive Board members, Advisors, assistants, staff, and technical assistance experts. From May through December 1988, 485 eligible persons had received payments under this policy (492 for the same period in 1987). The FY 1990 budget of \$3,170,000 allows for an increase of \$185,000 to cover an anticipated increase in costs.

**Study Allowances and Training** This account provides for the cost of tuition under the Fund's various study programs, the staff training program, and the language testing and training program for participants in IMF Institute courses. It is estimated that 84 eligible staff members and assistants to Executive Directors will receive payments in FY 1989 (93 in FY 1988) under the individual study programs, for a total estimated cost of \$130,000; the amount budgeted for FY 1990 (\$160,000) includes a provision for a larger number of staff to obtain additional training. Other training courses in FY 1989 are expected to cost \$875,000 on account of the following number of staff and assistants to Executive Directors attending these courses: 3,151 (2,572 in FY 1988) participants for in-service training (economics, communications, management consulting and development, technology, etc.), 307 (315) participants for language courses, and 152 (135) for other courses under the external training program. The amount budgeted for these programs in FY 1990 is \$960,000; most of the increase is on account of higher estimated participation in training courses, counseling, and seminars. The cost of the IMF Institute language testing and training program is estimated to increase from \$20,000 in FY 1989 to \$25,000 in FY 1990 due to a larger number of non-English speaking participants attending English courses.

**IMF Institute Living Allowances** Participants in IMF Institute courses, who are housed free of charge in the Concordia apartment complex, are paid a daily allowance of \$30 (seminar participants \$40) to cover the cost of meals and various miscellaneous expenses. In FY 1989, it is estimated that a total of 621 participants will have been paid a living allowance for 33,902 days while attending courses in Washington. The budget for FY 1990 (\$1,040,000) assumes that a total of 669 participants will be paid a living allowance for 34,934 days. Continuing provision has also been made for short programs of individual study for special participants.

**Tax Allowances** This allowance includes payments made on account of national, state, and local income taxes, and for the partial reimbursement of social security taxes for Executive Board members, assistants, staff, and technical assistance experts. In CY 1988, 510 persons received tax allowances (500 in CY 1987). The FY 1990 budget of \$9,200,000, slightly less than the FY 1989 estimate of \$9,310,000, takes into account a small decrease in tax allowance payments reflecting turnover of staff.

**Retirement Contributions** This account provides for the Fund's contributions to the Staff Retirement Plan (SRP) as well as outside plans on behalf of Executive Board members, Advisors, assistants, and staff; and for contributions to the pension plans of technical assistance experts. As of January 1, 1989, contributions were being made on behalf of 1,851 participants (1,877 as of January 1, 1988). The estimated expense in FY 1989 (\$20,540,000) includes the cost of the Fund's contributions to the SRP at a rate of 12.62 percent of gross pensionable remuneration in accordance with the Fund's contribution formula adopted effective May 1, 1988 (EBM/88/30, 3/4/88). The estimated expense also includes the Fund's contributions to outside plans and \$530,000 for the costs of supplementary pensions for former Managing Directors and pension parity supplements for pensioners. The FY 1990 budget of \$14,100,000 includes \$13,540,000 for the cost of Fund contributions to the SRP at a rate of 8.45 percent of gross pensionable remuneration as well as contributions to outside plans and \$560,000 for the cost of the supplementary payments.

**Termination Incentives** This account covers payments made under 3 programs: (i) the Termination Benefits Fund (TBF), which has been in existence since 1972, and under which payments may be made to encourage the separation of staff at any level, (ii) a scheme approved by the Executive Board in January 1980 as a one-time offering of incentives for the early retirement of staff in Grades B1 and above, and (iii) outplacement assistance introduced in FY 1988 to provide selected staff members who are considering separation from the Fund with assistance to investigate alternative employment possibilities outside the Fund. The FY 1989 revised estimate for these programs (\$1,250,000) includes \$900,000 for payments under the TBF to about 18 staff members; \$340,000 for monthly supplemental payments under the early retirement incentives scheme to 17 former senior staff who retired in FY 1980 and FY 1981; and \$10,000 for outplacement assistance. The FY 1990 budget of \$1,500,000 includes \$1,130,000 for a slightly larger number of payments under the TBF, \$355,000 for the cost of continued monthly supplemental payments to 17 former senior staff, and \$15,000 for outplacement assistance.

**Health Benefits** This account provides for the Fund's two-thirds contribution to the cost of the Medical Benefits Plan (MBP) on behalf of Executive Board members, Advisors, assistants, staff, technical assistance experts, retirees, and IMF Institute participants; and for other health benefit expenses. There were a total of 2,680 enrollees in

## FY 1990 BUDGET BY OBJECT OF EXPENSE

the MBP in January 1989 (2,646 in January 1988). The estimated cost for the Plan in FY 1990 is \$7,095,000 which is 20.5 percent higher than in FY 1989 reflecting the anticipated continuous increase in medical costs. During the past year, despite an increase of 15 percent (effective May 1, 1988) in contribution rates, the net cost experience of the Plan continued to deteriorate and it was again necessary to finance the substantial operating deficit by drawing on the Plan's Reserve Account established for this purpose. The increasing costs of medical care are expected to continue in FY 1990 and an increase of 18.3 percent in contribution rates for both the Fund and enrollees will become effective May 1, 1989. The budget for this account in FY 1990 also includes \$460,000 (\$458,000 in FY 1989) for the Fund's share of the cost of the Joint Bank-Fund Health Room and \$113,000 (\$72,000) for annual physical examinations for staff, etc., as well as other medical services.

**Life Insurance and Death Benefits** This account provides for the Fund's contribution to the Group Life Insurance Plan on behalf of Executive Board members, Advisors, assistants, staff, technical assistance experts, and retirees (there were 2,138 enrollees in January 1989 compared with 2,091 in January 1988); as well as the lump sum grant that the Fund pays when a staff member dies in active service. Enrollees pay two-thirds of the cost of the life insurance program and the Fund pays the remainder. The estimate for FY 1989 takes into account the Fund's one-third share

(\$104,000) of a return of premiums declared by the insurance company as a result of satisfactory claims experience in CY 1988. The FY 1990 budget of \$220,000 is based on a small increase in the number of enrollees, and the assumption that claims experience will be similar to the average of the last few years.

**Social and Welfare Expenses** This account provides for certain social and welfare expenses primarily for the benefit of Executive Board members, Advisors, assistants, staff, technical assistance experts, and retirees. The budget proposed for FY 1990 is \$300,000, compared with the revised estimate of \$240,000 for FY 1989. The principal items in the budget for FY 1990 are the social program for participants attending IMF Institute courses (\$75,000), the Christmas party (\$85,000), and the annual picnic at the Bretton Woods Recreation Center (\$45,000). In addition, provisions are made for activities of the International Families of the Fund Office (InFFO), for contributions to approved activities of staff groups, for Fund contributions toward the cost of farewell receptions and gifts for retiring staff, and for various other miscellaneous expenses.

**Food Services** Established guidelines require that the subsidy for food services should be about one third of the direct costs of the operation. The FY 1990 budget of \$990,000 takes account of the opening of a satellite cafeteria at International Square and allows for some increase in the cost of food and labor for the food service staff.

### II. TRAVEL EXPENSES

#### C — BUSINESS TRAVEL

Account	FY 1988 Actual Expenses <sup>1</sup>	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
				(In thousands of U.S. dollars)	
Meetings of Governors	1,553	3,720	1,925	- 1,795	- 48.3
Other business travel	13,227	15,100	16,600	1,500	9.9
Total	14,781	18,820	18,525	- 295	- 1.6

<sup>1</sup>Due to rounding, details do not add to total.

**Meetings of Governors.** This account provides for the Fund's share of the cost of transportation, per diem expenses, and incidental costs of travel for Governors and Alternate Governors, Executive Board members, their Advisors and Assistants, and staff attending the Annual Meetings and meetings of the Interim and Development Committees. It also provides for the travel of the Chairmen of the Interim and Development Committees and for the travel of the Office of the Executive Secretary of the Development Committee. The proposed budget of \$1,925,000 for FY 1990 (\$3,720,000 in FY 1989) assumes that there will be two Interim and Development Committee meetings held in Washington. The decrease in costs for FY 1990 is mainly

because the next Annual Meetings will be held in Washington.

**Other Business Travel** This account covers the direct costs of Executive Board members, their Advisors and assistants, and staff members on all business travel other than that covered in the Meetings of Governors travel account. In CY 1988, Board members, their Advisors and assistants made 320 business trips abroad (362 in 1987). Staff made 2,053 trips abroad (1,904 in 1987), of which 698 (736) were for regular consultations, 449 (415) were for additional missions in connection with use of Fund resources, including stand-bys and Structural Adjustment Facility programs, 265 (243) were for other country missions

## FY 1990 BUDGET BY OBJECT OF EXPENSE

including aid meetings, 230 (176) were for technical assistance, and 411 (334) were for other purposes. In FY 1989, it is estimated that of the total anticipated cost (\$15,100,000), approximately \$9,240,000 (61 percent) will be for transportation expenses and about \$5,860,000 (39 percent) for per

diem and incidental expenses. The amount budgeted for FY 1990 (\$16,600,000) provides for a marginal increase in the volume of travel and an increase of 9-10 percent in airfares and travel allowances.

### D — OTHER TRAVEL

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(In thousands of U.S. dollars)					
Settlement travel	5,083	5,160	5,100	- 60	- 1.2
Home leave travel	4,932	5,300	5,470	170	3.2
Miscellaneous travel	2,140	2,270	2,500	230	10.1
Total	12,155	12,730	13,070	340	2.7

**Settlement Travel** This account provides for the payment of transportation, per diem expenses, and freight expenses for appointment and repatriation travel for the following persons and their families: Executive Board members, Advisors, assistants, staff, technical assistance experts, IMF Institute participants, and special appointees. In FY 1989, settlement travel expenses will have been paid for the following persons and their families: 36 present and former Executive Board members and their Advisors, 27 assistants, 142 staff, and 130 technical assistance experts (the numbers for FY 1988 were 27, 25, 135, 132, respectively). In addition, settlement travel expenses will have been paid for 621 IMF Institute participants and for 21 staff members and their families who were posted in the field as Fund representatives or advisors (524 and 24 in FY 1988, respectively). The FY 1990 budget of \$5,100,000 is \$60,000 below that for FY 1989, and takes into account a lower volume of travel by Executive Board members in a nonelection year.

**Home Leave Travel** This account provides for the payment of the home leave allowances and travel expenses for assistants, staff, their families, and for the dependents of Executive Board members, and their Advisors. Provision is also made in this account for the cost of rest and recupera-

tion trips for technical assistance experts and staff in the field. During the current financial year, about 650 staff and their dependents, 35 assistants to Executive Directors and their dependents, and the dependents of 20 Board members will have traveled on home leave (the numbers for FY 1988 were 635, 38, and 23, respectively). The FY 1990 budget of \$5,470,000 provides for a small increase in volume as more staff make use of accumulated points for additional trips.

**Miscellaneous Travel** This account provides for the travel of children of Executive Board members and their Advisors, assistants, staff, and technical assistance experts in connection with the Fund's education policy; for the travel of spouses who accompany staff members on missions under the spouses' points policy; for the travel of officials and nonofficials attending Fund-sponsored seminars; and for consultants traveling on the Fund's behalf. It also provides for emergency travel, study travel, the field and social trips of the IMF Institute's participants, and various other authorized journeys. The proposed FY 1990 budget of \$2,500,000 allows, along with an increase in airfares, for an increase in the number of individuals traveling under the education policy and participants attending Fund sponsored seminars.

### III. OTHER ADMINISTRATIVE EXPENSES

#### E — COMMUNICATIONS

Account	FY 1988 Actual Expenses <sup>1</sup>	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(In thousands of U.S. dollars)					
Postage and freight	2,439	3,045	3,140	95	3.1
Telephone	2,057	2,040	2,225	185	9.1
Telegraph	1,283	1,265	1,150	- 115	-9.1
Total	5,780	6,350	6,515	165	2.6

<sup>1</sup>Due to rounding, details may not add to total.

## FY 1990 BUDGET BY OBJECT OF EXPENSE

**Postage and Freight** The FY 1990 budget of \$3,140,000 is 3.1 percent higher than the estimate for FY 1989, reflecting a slight rise in the volume of mail and increased use of courier services over the level of the previous year.

**Telephone** This account provides for the cost of switchboard staff and equipment, for long distance calls, and for other related expenses. The FY 1990 budget of \$2,225,000 reflects a 9.1 percent increase over the estimate for FY 1989 due mainly to the carry over of some maintenance projects postponed from FY 1989, and the continued sub-

stitution of facsimile message transmission for the traditional cable and telex communications. This increase may be reduced slightly if a proposed reduction in long distance charges materializes in mid-year.

**Telegraph** This account provides for telex, cable and related expenses. The FY 1990 budget of \$1,150,000 (a decline of 9.1 percent over FY 1989) reflects both the continued substitution of facsimile for cable and telex transmission as well as the impact of recently announced restrictions on the format of telex and cables sent to the United States Federal Reserve.

### F — BUILDING OCCUPANCY

Account	FY 1988 Actual Expenses <sup>1</sup>	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(In thousands of U.S. dollars)					
Maintenance and operation	5,829	6,730	7,290	560	8.3
Utilities	2,248	2,315	2,505	190	8.2
Alterations	2,546	2,920	2,420	- 500	- 17.1
Rentals	2,300	3,100	4,535	1,435	46.3
Total	12,925	15,065	16,750	1,685	11.2

<sup>1</sup>Due to rounding, details do not add to total.

**Maintenance and Operation** This account provides for costs relating to the maintenance and operation of all Fund property and leased space, including the headquarters office building, the Concordia apartment complex, the Bretton Woods Recreation Center, leaseholds at the International Square building, and other domestic and overseas property. Most of the costs included in this account are to pay for the work force of contractual building services companies working on day and night shifts. The work force at the headquarters building includes 15 engineers, 3 painters, 16 utility men, 17 messengers, 4 accountants, 40 guards, 6 clerk-typists, 4 garage attendants, and 19 cleaners; this latter group is supported by a night cleaning crew of about 95. The FY 1990 budget of \$7,290,000 includes \$5,409,000 for building maintenance, building operations, guard, and cleaning services; \$598,000 for repairs; and \$1,283,000 for building supplies and other maintenance and operation expenses. The increase of \$560,000 (8 percent) budgeted for FY 1990 is due to a projected increase in wage rates, higher prices, and increased requirements for maintenance and repair services.

**Utilities** This account provides for electricity, fuel oil, gas and water costs. The FY 1990 budget of \$2,505,000 includes \$2,063,000 for electricity (82 percent of the total utilities budget) and \$442,000 for fuel oil, gas, and water expenses. The increase of \$190,000 in this account is primarily for anticipated increased electricity usage at International Square, as well as small increases in utility prices.

**Alterations** This account provides for building alteration expenses including minor office relocations and renova-

tions, routine upgrades to building equipment systems, electrical alterations in connection with the installation of automation equipment, and other alterations. The main elements in the \$2,420,000 building alterations program for FY 1990 are general remodeling costs (\$1,145,000) and the completion of alterations to the Concourse corridors and snack bar (\$177,000). Funds are also budgeted to cover the design and management of the above projects, as well as other miscellaneous projects such as the design of existing office space to accommodate new office automation equipment and improving the building's life/safety systems. The projected reduction in expenditures of \$500,000 (17 percent) is due mainly to the deferral of a number of low priority building projects.

**Rentals** This account provides for rental payments for offices in the International Square building in Washington, offices in Paris, Geneva, and New York, and for joint facilities housed in the World Bank complex, e.g., the Health Room, the Credit Union, etc. The account also covers receipts from the World Bank for joint facilities located in Fund buildings, e.g. the Joint Library and the Finance and Development Office. Income from rental of the Concordia Apartments and income from parking charges (net of the cost of the parking management service and the rental of commercial parking space) are also included in this account. The FY 1990 budget of \$4,535,000 includes \$6,073,000 (\$4,600,000 in FY 1989) for rental costs for International Square, Annual Meetings offices, office space in Paris and Geneva, and other rented space, offset somewhat by income of \$1,538,000 (\$1,500,000 in FY 1989) from the

FY 1990 BUDGET BY OBJECT OF EXPENSE

BUILDING OPERATING COSTS

A major component of the Fund's administrative expenses annually involves the cleaning and maintenance of the headquarters building. From the time that the current building was occupied in 1972, building maintenance has been carried out by a building management contractor under the close supervision of Fund staff. Apart from a small management fee, charges to the Fund are based on time and materials used. With constant inspection, this system has proven to be an effective way of responding to the unique requirements of the Fund. It allows the building management function to be managed with minimal overhead cost and maximum flexibility, while allowing the Fund to pay only for actual services rendered.

The policy of maintaining the Fund's office space to a high standard has proven to be an effective way of minimizing the cost of repairs. Typically, the materials used in building alterations in the Fund are of high quality, and it is considered prudent to maintain these materials properly after installation, not only to protect the Fund's initial investment, but also to ensure that the materials meet their expected useful life. The Fund's use of carpet tile is an example of material which is initially more costly to buy, but is expected to be the least costly means of providing carpeting over its useful life. Nightly vacuuming of the carpet and semi-annual carpet cleaning are designed to extend both the life and appearance of the carpet tile.

The escalating costs of new construction and equipment make it a necessity to ensure the expected life of all building systems is reached. The Fund is currently implementing a computerized maintenance management system for tracking building repairs and projecting maintenance requirements in order to prevent breakdowns. In addition, it is planned that this system will, when fully implemented, schedule preventive maintenance, and predict when major overhauls or equipment replacements are most eco-

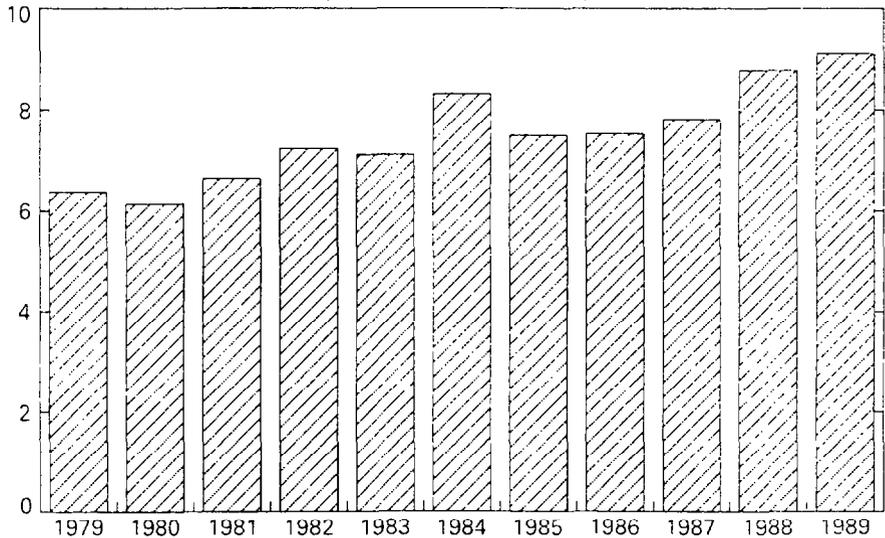
nomical. It is expected that the system will control the growth in maintenance costs in the future, although the building is now reaching a point where many of the original building components will need major maintenance or replacement. Since the building was first opened, its mechanical systems have been controlled increasingly by computer. The result has been a continual improvement in the efficiency of the Fund's electrical usage, in spite of the growing cost of electricity and increased demand coming from office automation. Means are constantly

sought to contain the growing cost of maintaining the Fund's facilities. The decision to start using an outside window cleaning service in 1988, for example, has resulted in annual savings of \$20,000. That decision is but one of a number that have raised the level of service and, at the same time, reduced the cost of that service. Chart 1 shows how the real cost of building operations (excluding alterations and rental) has shown only small increases over the last ten years, when expressed in 1979 dollars per working day per employee. Chart 2 tracks the same costs in nominal dollars over the same time period.

The original design of the headquarters building, to include coffered concrete ceilings in the office areas, enabled a full 13 stories to be accommodated within the 130-foot height limit allowed by the District of Columbia without sacrificing normal ceiling heights. This design has resulted in substantial savings to the Fund for alterations to existing office space, since each five foot by five foot module is a self-contained unit with its own lighting, heating, ventilation and air-conditioning, which need not be changed when the wall layout is moved. It is estimated that alterations in areas of the headquarters building with this type of ceiling cost over 50 percent less than alterations to space in comparable buildings such as International Square.

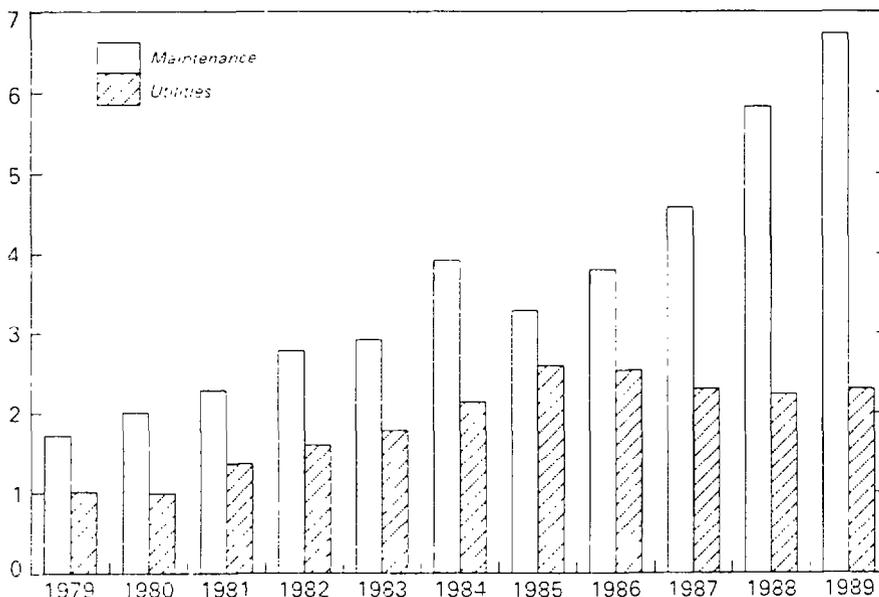
Commencing in 1985, an annual environmental survey of the headquarters building has been performed, to identify any conditions which might adversely affect the health of Fund employees. A similar survey is performed at the Fund's leased space in International Square, and at the Concordia Apartments. If such conditions are found to exist, the consultant and Fund staff jointly seek appropriate solutions and the necessary action is taken. Another major area of current activity directed at the health of Fund staff involves the development and implementation of a comprehensive life-fire safety program in the headquarters building. This program was started in FY 1988, and will become more visible in the coming year.

Chart 1  
Maintenance and Utility Cost Per Day per Occupant  
(in FY 1979 U.S. dollars)<sup>1</sup>



<sup>1</sup>Deflated using the Washington Consumer Price Index, FY 1979 = 100

Chart 2  
Building Maintenance and Utility Expense  
(in millions of U.S. dollars)



**FY 1990 BUDGET BY OBJECT OF EXPENSE**

Concordia apartments, the World Bank, and parking charges. The increase of \$1,435,000 (46 percent) reflects the first full year of rent for the expanded office space at International Square which was occupied in August 1988 (+ \$525,000), lease payments for additional office space to be occupied at International Square during FY 1990 (+ \$480,000), an increase in rental expense for the Annual Meetings Office because the 1989 Annual Meeting will be held in Washington (+ \$240,000) and a further increase in payments to the D. C. Government for rental of vault space (+ \$100,000).

It is estimated that the net cost of the parking facility in FY 1990 will be \$516,000 (\$477,000) for the parking man-

agement service and for rental of commercial space, which is charged to this account; and \$405,000 for utilities, security, and cleaning, which is charged to the utilities and maintenance accounts. On the basis of present parking rates, a deficit of \$48,000 would result for parking operations in FY 1990. In order to adhere to the parking policy approved by the Executive Board at EBM/79/110 (7/11/79), under which income from parking is to be set at a level equal to the direct cost of providing the parking facility, it is proposed to increase charges by an average of 4.9 percent on May 1, 1989. The last increase in charges was an average of 8.2 percent, effective May 1, 1988.

**G — BOOKS AND PRINTING**

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
	(In thousands of U.S. dollars)				
Books and periodicals	804	870	940	70	8.0
Contractual printing	1,140	1,320	1,390	70	5.3
Total	1,944	2,190	2,330	140	6.4

**Books and Periodicals** The FY 1990 budget of \$940,000 provides for newspaper subscriptions and publications for Executive Board members and staff (\$390,000); for acquisitions by the Joint Library (Fund's share, \$310,000); the Law Library (\$83,000); the Fiscal Library (\$40,000); the IMF Institute Library (\$25,000); the Bureau of Language Services Library (\$17,000); for the rental of news ticker services (\$65,000); and for binding services (\$10,000).

**Contractual Printing** This account provides for contractual printing costs for publications and documents, and for receipts on the sales of publications, etc. The FY 1990 budget of \$1,390,000 includes \$3,390,000 for production costs (\$3,060,000 in FY 1989) and \$2,000,000 for estimated income from sales (\$1,735,000 in FY 1989). Production costs include \$1,409,000 for *International Financial Statistics* and related statistical publications, \$310,000 for

the *IMF Survey*, \$318,000 for the Fund's share of *Finance & Development*, and \$1,353,000 for other publications such as the *Annual Report of the Executive Board*, the *Annual Report on Exchange Arrangements and Exchange Restrictions*, *Staff Papers*, and the *World Economic and Financial Survey* series including the *World Economic Outlook*. Major publishing projects for FY 1990 include a study of analytical issues in debt, analyses of fiscal policies and central banking in developing countries, and a fourth volume of *The Fund Agreements in the Courts*, which has been carried over from FY 1989. Also scheduled for release in FY 1990 are: 4 or 5 seminar volumes; 6 papers in the *WEFS* series, 8 *Occasional Papers*, and 6 EXRPs, together with a number of leaflets. In addition to the 4 periodic statistical publications, *International Financial Statistics*, *Direction of Trade Statistics*, *Balance of Payments Statistics*, and *Government Finance Statistics*, one supplement to *International Financial Statistics* is also planned.

**H — SUPPLIES AND EQUIPMENT**

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
	(In thousands of U.S. dollars)				
Purchase of furniture and equipment	1,838	2,330	1,445	-885	-38.0
Rental of equipment	1,111	125	155	30	24.0
Maintenance of furniture and equipment	306	735	995	260	35.4
Expendable supplies	1,785	1,885	2,105	220	11.7
Total	5,040	5,075	4,700	-375	- 7.4

## FY 1990 BUDGET BY OBJECT OF EXPENSE

**Purchase of Furniture and Equipment** This account provides for the purchase of furniture and furnishings for the headquarters building, the Concordia apartment complex, and rented space. The acquisition of motor vehicles, photocopiers, typewriters, calculators, dictating and other office and specialized equipment other than communications and data processing equipment is also included. The proposed FY 1990 budget of \$1,445,000 is \$885,000 (38 percent) less than in FY 1989. Principal elements in the FY 1990 budget include purchases of office automation furniture and furnishings (\$438,000), other furniture (\$322,000), and office equipment (\$434,000), and purchases for the replacement of Fund equipment at the Bretton Woods Recreation Center (\$120,000). Most of the decrease in FY 1990 results from the scheduled completion of the office automation furniture project, and the resultant reduction in the purchase of furniture.

**Rental of Equipment** This account provides for the lease of the photocopiers in the copy center and other office equipment excluding communications and data processing

equipment. The FY 1990 budget of \$155,000 is \$30,000 (24 percent) higher than in FY 1989 due to additional rented equipment.

**Maintenance of Furniture and Equipment** This account provides for the maintenance of furniture, furnishings, office equipment, and other specialized equipment other than communications or data processing equipment. The FY 1990 budget of \$995,000 is \$260,000 (35 percent) higher than the revised estimate for FY 1989. This is due mainly to higher carpet cleaning costs, and the postponement to FY 1990 of a number of projects originally scheduled for FY 1989.

**Expendable Supplies** This account provides for expendable supplies including general, graphics, and data processing supplies. The FY 1990 budget of \$2,105,000 is \$220,000 (12 percent) higher than for FY 1989, and reflects the continued increase in demand for supplies (particularly in the area of in-house document production), the rapidly increasing cost of paper, and the increased use of office automation and data processing supplies.

### I — DATA PROCESSING

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
(In thousands of U.S. dollars)					
Fund computer facilities	4,243	5,100	4,800	-300	- 5.9
Contractual support	3,615	1,880	1,700	-180	- 9.6
Other data processing	7,942	7,430	7,200	-230	- 3.1
Total	15,800	14,410	13,700	-710	- 4.9

The FY 1990 budget of \$13,700,000 provides for major computer facilities and contractual support equipment, software and other related expenses, but excludes salaries and benefits of EDP staff and consultants which are included in the personnel expenses category. The proposed level of EDP expenses in FY 1990 reflects the continued efforts, on the part of management and the staff, to emphasize the production and maintenance of ongoing systems, the continuation of development projects initiated in previous years and to the extent possible, the directing of new developments in support of operational activities. With this latter objective in mind, high priority for the coming year will be given to the acquisition of microcomputers for economists and the development of the redesign of the World Economic Outlook. With regard to the ongoing development of the Economic Information System (EIS) and the Economist Work Station (EWS) projects, a cautious approach has been recommended for the coming year pending the resolution of a number of relevant issues. In the administrative area, funding has tentatively been approved for a new payroll system and for minor improvements in existing systems. In the data communications area, further funding

to expand the existing facilities will depend upon a review of the institution's overall requirements in the light of emerging technological advancements.

**Fund Computer Facilities** This account provides for the operation and management of the UNISYS and IBM mainframe computers, and includes the purchase of contractual services, equipment, software, and other expenses. The decrease of \$300,000 for FY 1990 reflects the consolidation of the operations of the two mainframe computers and the DEC communications center under a unified facilities maintenance agreement.

**Contractual Support** This account provides for external analytical and programming assistance from companies, but excludes costs for operating the Fund computer facilities, and for individual analysts and programmers. The decrease of \$180,000 for FY 1990 is the result of a reduced level of EDP development funding and the increased emphasis on production.

**Other Data Processing** This account provides for data processing expenses not covered in the Fund Computer

**FY 1990 BUDGET BY OBJECT OF EXPENSE**

Facilities and Contractual Support accounts, such as the lease, purchase, and maintenance of data processing equipment including minicomputers, microcomputers, word processors, terminals, printers, and data communications equipment; software such as data bases, applications programs, and microcomputer packages; and external process-

ing facilities for time-sharing on outside computers. The FY 1990 budget of \$7,200,000 includes \$2.0 million (\$1.6 million in FY 1989) for purchases of microcomputers, software, and networking equipment to support the operational and support activities of the Fund economists.

**J — MISCELLANEOUS**

Account	FY 1988 Actual Expenses	FY 1989 Estimated Expenses	FY 1990 Proposed Budget	FY 1990 Compared with FY 1989	
				Increase Decrease (-)	Percent Change
				(In thousands of U.S. dollars)	
Representation	796	715	840	125	17.5
Insurance	795	965	960	- 5	- 0.5
Miscellaneous contractual services	7,640	2,245	2,725	480	21.4
Sundries	(263)	(380)	(265)	115	
Total	8,968	3,545	4,260	715	20.2

**Representation** All representation expenses incurred on behalf of the Fund are charged to this account, including expenses incurred at the Annual Meetings, at headquarters, and on missions. The increase of \$125,000 projected for FY 1990 is to allow for some increases in prices.

**Insurance** This account provides for property, casualty and liability insurance coverage worldwide; for travel accident, and travelers' personal effects insurance; and for Fund's self-insured workers' compensation claims and costs. A slight decrease is projected for FY 1990 due to an expected further softening of the insurance market.

**Miscellaneous Contractual Services** This account provides for the cost of various contractual services not included elsewhere. The main components included in this account, which totals \$2,725,000 for FY 1990, are the staff compensation and tax reviews, \$605,000 (\$765,000); translation and interpretation services, \$187,000 (\$142,000); the study of Executive Directors' remuneration, \$50,000 (\$40,000); contractual services for the Visi-

tors' Center, \$55,000 (\$32,000); auditing services to support the External Audit Committee, \$178,000 (\$180,000); and miscellaneous services for the Annual Meetings, \$175,000 (\$55,000).

**Sundries** This account covers miscellaneous expenses not elsewhere classified, as well as income from interest-bearing salary advances and discounts taken on purchases of services, supplies and equipment. The proposed FY 1990 budget includes estimated income of \$850,000 from interest-bearing salary advances and discounts (\$790,000 in FY 1989). It provides \$335,000 for miscellaneous expenses of the Annual Meetings and the Interim and Development Committees, including ancillary meetings of the G-24 and G-10, and \$95,000 for miscellaneous expenses of seminars held abroad and in Washington, D.C. Provision is also made, inter alia, for the usual corporate donation to the 1989 United Way Campaign (\$40,000); for the voluntary payment in lieu of tax for the Bretton Woods Recreation Center (\$38,000); and for annual subscriptions to various memberships (\$44,000).

## FY 1990 CAPITAL BUDGET

In accordance with EBM/86/186 (11/21/86), this section of the budget reviews the capital projects approved in FY 1988 and FY 1989, and proposes the capital budget for FY 1990. A project is included in the capital budget if: (i) the

majority of the project's costs are for the acquisition of capital assets<sup>1</sup> and (ii) the cost of individual capital items equals or exceeds \$100,000. A draft decision for the approval of the FY 1990 Capital Budget is on page 15.

### REVIEW OF FY 1988 CAPITAL BUDGET

The FY 1988 Capital Budget was approved by the Executive Board on April 15, 1987 (EBM/87/60). The budget provided \$8,775,000 over three years for nine projects. Only two projects, improvements to IMF Institute lecture rooms, and building and fire code improvements at the Bretton Woods Recreation Center, remain to be completed.

A final report on the FY 1988 Capital Budget will be

prepared after the completion of all the projects in FY 1990. The report will explain the main reasons for any variances between the budget and final estimates. At this point in time, total project expenses are estimated to be \$8,297,000 which is \$478,000 or 5.4 percent less than the revised budget. There follows a brief summary of the projects' status.

#### FY 1988 CAPITAL BUDGET (In thousands of U.S. dollars)

	Original Budget	Revised Budget <sup>1</sup>	Revised Estimate	Estimate Compared with Revised Budget		Revised Estimate of Disbursements by Year		
				Increase Decrease (-)	Percent Change	FY 1988	FY 1989	FY 1990
I. Building Space Facilities:								
A — Headquarters	4,583	4,313	4,194	- 119	- 2.8	3,170	354	670
B — Other Locations	3,140	3,410	3,210	- 200	- 5.9	1,485	1,725	—
II. Equipment Systems:								
C — Computing	<u>1,052</u>	<u>1,052</u>	<u>893</u>	<u>- 159</u>	<u>- 15.1</u>	<u>893</u>	<u>—</u>	<u>—</u>
Total	<u>8,775</u>	<u>8,775</u>	<u>8,297</u>	<u>- 478</u>	<u>- 5.4</u>	<u>5,548</u>	<u>2,079</u>	<u>670</u>

<sup>1</sup>Transfer of appropriations approved at EBM/88/51 (3/28/88).

#### A—Headquarters

Of the four projects approved at headquarters, three have been completed. The Computer Center constructed on the concourse level became operational in April 1988, the Helix lift equipment was purchased as planned in FY 1988, and the new front doors were installed in August 1988. The remaining project, improvements to the IMF Institute lecture rooms, is scheduled to be completed in the latter part of FY 1990. Altogether, these four projects are estimated to be \$119,000 or 2.8 percent under the revised budget.

#### B—Other Locations

Three projects were approved at other locations including improvements to new leased space at International Square, to the Concordia Apartments, and to the Bretton Woods Recreation Center (BWRC). At International Square, the new space was occupied in July 1988, and the refurbished cafeteria began operations in February 1989. It

is estimated that expenses for the International Square project will be \$65,000 or 2.5 percent below the revised budget. The Concordia alterations have been completed, and the BWRC improvements are estimated to be completed soon. Overall, capital expenses for the three projects at other locations are estimated to be \$200,000 or 5.9 percent below the budget.

#### C—Data Processing Equipment

Data processing equipment was purchased in FY 1988 at a cost that was \$159,000 or 15.1 percent less than the budget estimate.

<sup>1</sup>Capital assets include tangible assets as defined for financial statement purposes in International Accounting Standard No. 16, and expenses for major capital improvements that are nonrecurring on an annual basis. Expenses for routine repairs and alterations are not included in the capital budget.

## FY 1990 CAPITAL BUDGET

### REVIEW OF FY 1989 CAPITAL BUDGET

On April 25, 1988 the Executive Board approved \$3,425,000 for capital projects beginning in FY 1989 (EBM/88/65). On November 21, 1988 (EBM/88/169) management was authorized to proceed with the acquisition of

the Western Presbyterian Church property (WPC) and to take action to secure appropriate zoning and other municipal approvals on the basis of the plan outlined in Part IV of EBAP/88/197 (8/9/88) at a cost not to exceed \$30,000,000.

#### FY 1989 CAPITAL BUDGET (In thousands of U.S. dollars)

	Budget	Revised Estimate	Estimate Compared with Revised Budget		Revised Estimate of Disbursements by Year			
			Increase + Decrease -	Percent Change	FY 1989	FY 1990	FY 1991	FY 1992
<b>I. Building Space Facilities:</b>								
<b>A — Headquarters</b>								
(1) Concourse Level	950	1,107	+157	16.5	550	557	—	—
(2) Red Level	785	762	- 23	- 2.9	530	232	—	—
(3) Office Conversions	840	1,406	+566	67.4	540	866	—	—
(4) Ground Level	340	265	- 75	-22.1	265	—	—	—
Subtotal	2,915	3,540	+625	21.4	1,885	1,655	—	—
(5) WPC Property <sup>1</sup>	30,000	30,000	—	—	250	18,250	7,000	4,500
Headquarters Total	32,915	33,540	+625	1.9	2,135	19,905	7,000	4,500
<b>B — Other Locations</b>								
(1) BWRC Water/Sewerage	375	375	—	—	375	—	—	—
Building Space Total	33,290	33,915	+625	1.9	2,510	19,905	7,000	4,500
<b>II. Equipment Systems</b>								
<b>C — Computing</b>								
(1) IBM Systems	135	132	- 3	- 2.2	132	—	—	—
Capital Projects Total	33,425	34,047	+622	1.9	2,642	19,905	7,000	4,500

<sup>1</sup>A separate paper reviewing the WPC project will be issued early in FY 1990.

#### **A—Headquarters**

Three of the projects at headquarters are for renovations to space and the subsequent relocation of personnel following the transfer of the Joint Library to International Square. It was initially estimated that improvements to the concourse and red levels and conversions of office space on other floors would cost \$2,575,000. The revised estimate for these three projects based on a revised design plan and on construction bids that have been received to date is \$3,275,000 which is \$700,000 or 27.2 percent over the initial estimate.

On the concourse level, competitive construction bids have now been received and the revised estimate for the concourse level is \$1,107,000 which is \$157,000 or 16.5 percent over the preliminary cost figures. The increase is primarily due to higher than estimated costs for heating, ventilation, and air-conditioning system modifications required to accommodate revised floor plans.

On the red level, revised estimates for design and construction costs are \$762,000 which is \$23,000 or 2.9 percent less than originally budgeted.

On several other floors, offices are being converted to accommodate the relocation of personnel as a result of the space renovations and personnel moves on the concourse and red levels. Initially it was estimated that \$840,000 would be required for this project. This estimate was based on preliminary discussions with departments and on general space relocation plans.

In November 1988, and based on the proposals of a consultant, The Caucus Partnership, detailed plans were adopted that used an open plan design to maximize the space on several floors currently occupied by the Bureau of Computing Services. Although the revised design and construction proposals are estimated to cost an additional \$566,000, the revised proposals will reduce overcrowding and accommodate more personnel than was originally expected on the third floor, second floor, and concourse level of the building.

Other projects at headquarters include improvements to the ground floor and the Western Presbyterian Church (WPC) property acquisition project. On the ground floor, heating, ventilation and air-conditioning equipment was purchased and installed as planned in FY 1989. It is esti-

## FY 1990 CAPITAL BUDGET

mated that the project will cost \$265,000 which is \$75,000 or 22.1 percent below the original estimate due to lower than expected bids for equipment acquisition and installation, and because of a lower than estimated level of overtime by contractors.

A separate paper reviewing the status of the WPC project including revised cost estimates will be prepared for the Executive Board early in FY 1990. Progress so far is satisfactory and proceeding along the lines mentioned in EBAP/88/197 (8/9/88). It is now anticipated that substantial disbursements will occur in FY 1990 and that only about \$250,000 will be spent by the end of FY 1989. A decision by the church leadership on the Fund's property acquisition proposal is expected soon.

The budget for all capital projects at headquarters is \$32,915,000. Total expenses are now estimated at \$33,540,000 which is \$625,000 or 1.9 percent higher than

the original budget estimate. However, these cost estimates may change as construction work proceeds and it is not proposed to request additional funds for projects at headquarters at this time.

### B—Other Locations

It is expected that the water and sewerage systems at the Bretton Woods Recreation Center will be replaced as planned and as budgeted.

### C—Data Processing Equipment

Data processing equipment was purchased in FY 1989 at a cost of \$132,000 which is \$3,000 or 2.2 percent under the budget estimate.

## FY 1990 CAPITAL BUDGET PROPOSAL

In January 1989, the budget outlook for FY 1990 was presented to the Executive Board (EBAP/89/10, 1/11/89). It was estimated at that time that \$3,850,000 would be needed for capital projects beginning in FY 1990. It was also mentioned that, in addition to those proposals, several

studies were underway to evaluate the need for other projects. After reviewing the results of several of these studies, six projects are proposed for the headquarters building and three are proposed for other locations at a total estimated cost of \$5,815,000.

### FY 1990 CAPITAL BUDGET (In thousands of U.S. dollars)

	Total	FY 1990	FY 1991	FY 1992
<b>I. Building Space Facilities:</b>				
A — Headquarters				
(1) Life Safety Systems	1,210	1,000	210	—
(2) Asbestos Abatement	900	640	150	110
(3) Graphics Improvements	530	530	—	—
(4) Induction Valves	525	525	—	—
(5) Office Renovations	500	50	450	—
(6) Executive Board Sound System	120	120	—	—
Headquarters Total	<u>3,785</u>	<u>2,865</u>	<u>810</u>	<u>110</u>
B — Other Locations				
(1) International Square	1,580	1,500	80	—
(2) Bretton Woods Recreation Center	290	—	290	—
(3) Annual Meetings Telephone System	160	160	—	—
Other Locations Total	<u>2,030</u>	<u>1,660</u>	<u>370</u>	<u>—</u>
Building Space Total	<u>5,815</u>	<u>4,525</u>	<u>1,180</u>	<u>110</u>
<b>II. Equipment Systems:</b>				
C — Computing				
Capital Projects Total	<u>5,815</u>	<u>4,525</u>	<u>1,180</u>	<u>110</u>

## I. Building Space Facilities

Capital investments for the construction and purchase of, or improvements to, office space, buildings, and other structures are included in this expenditure group. Also included are capital expenditures for the purchase of building equipment systems such as heating, ventilation, and air-conditioning, and renovations associated with major relocations of personnel or organizational units. Routine renovations and repairs that do not significantly change or expand the functional use or life of buildings, space, or equipment are included in the administrative budget.

The Building Space Facilities projects are subdivided into two categories, one for projects at headquarters, and one for projects at other locations including International Square, the Concordia apartment complex, and the Bretton Woods Recreation Center.

### A—Headquarters Projects

Six projects beginning in FY 1990 are proposed for headquarters at an estimated cost of \$3,785,000. The first three projects (estimated to cost \$2,640,000) are proposed primarily for the continued safety and health of the building's occupants, and include life safety systems, asbestos abatement building repairs, and improvements to the area occupied by the graphics unit. Two other projects for replacing induction valves and sound equipment are proposed at a cost of \$645,000. In addition, a project estimated to cost \$500,000 is proposed for the major renovation of offices and relocation of personnel at headquarters following the construction of offices at International Square and the transfer of personnel and equipment from the headquarters building in FY 1990 (see proposal for International Square).

**Life Safety Systems** The fire alarm and smoke detector systems in the headquarters building have deteriorated with age and can no longer be relied upon. Over the years, there have been additions and modifications to the original systems due to the increase in the number of offices and personnel. In recent years there have been repeated failures of the system, and a consultant was retained to study the problem. Based on the results of the study, it is recommended that much of the older fire alarm and other life safety equipment be replaced or upgraded to provide the necessary safety support for building personnel and to maintain compliance with fire safety regulations. It is estimated that this project will cost \$1,210,000.

**Asbestos Abatement** The results of an environmental survey of headquarters was reported to the building's occupants in Administrative Circular 88/43 (12/5/88). Although there are no materials containing asbestos in occupied areas at Fund headquarters, there is a risk that in the future airborne asbestos fibers could infiltrate into occupied areas. Given the well documented toxicity of airborne asbestos

fibers, the Fund's environmental health consultant has recommended repairing, cleaning and replacing building materials, and taking other measures necessary to prevent any possibility of asbestos posing a health hazard to employees at headquarters. Based on initial proposals from the consultants and estimates from the Fund's engineers, this project is expected to cost about \$900,000.

**Graphics Improvements** In addition to the asbestos survey, the Fund's consultant has reviewed the environment of the graphics area situated on the concourse level at headquarters. The consultant has suggested that the ventilation, lighting, and soundproofing systems in that area need improvements. Initial cost estimates for these improvements are \$530,000 which include the purchase and installation of those systems and associated modifications to the office space.

**Induction Valves** The heating and air-conditioning water valves (induction valves) in most offices in the headquarters building have reached the end of their useful life and have begun to leak. The leaking valves cause damage to carpet and other materials and also provide an environment for the growth of bacteria and other microorganisms. It was initially estimated in the budget outlook paper that this project would cost about \$800,000, but the emergency purchase of some valves and lower bids from vendors for the Fund-wide capital project have reduced the estimated cost to \$525,000.

**Office Renovations** In connection with the movement of personnel out of headquarters (see International Square project page 117), vacated offices at headquarters will require renovations. It is estimated on a preliminary basis that \$500,000 will be needed for capital expenditures at headquarters for this project including office renovations, furniture and equipment relocations, and associated costs.

**Executive Board Sound System** The sound amplification portion of the sound system for the Executive Board room has been in service since 1973. During the past two years there have been increasing incidences of component failures. A recent inspection of the equipment has indicated that the system is reaching the end of its useful life, and that future repairs will be increasingly difficult due to the unavailability of spare parts. Accordingly, it is proposed to replace the sound amplification portion of the system in FY 1990 at an estimated cost of \$120,000. As the system is still functional, this project could be deferred for a year or two; however, this would increase the risk that component failures may occur.

Problems have also been reported with the sound system in the Committee Rooms and the systems are being examined to determine what corrective action is required. Should it be determined that the equipment needs replacing, additional appropriations would be requested once the engineering studies and capital project evaluations have been completed.

**B—Other Locations' Projects**

**International Square** As mentioned in paragraphs 27–28 on page 7, it is proposed to lease approximately 18,000 square feet of additional office space at International Square. The cost of renovating, furnishing, and relocating personnel, equipment, and furnishings at International Square and at headquarters is estimated to be approximately \$2,080,000. Of this amount, \$1,580,000 will be needed for International Square improvements and about \$500,000 will be needed for headquarters renovations (see Office Renovations project on page 116). These estimates are based upon preliminary and conceptual design plans and will be revised with more accurate estimates after discussions have been concluded with individual departments, detailed engineering drawings have been prepared, and construction bids have been received.

**Bretton Woods Recreation Center** As proposed in the budget outlook paper, an engineering study of the BWRC roads system indicates that it will have to be replaced at an estimated cost of about \$700,000. The road systems will continue to deteriorate unless replaced. Based on the advice of the Fund's insurance agents, as a minimum, the parking lot surfaces and some road surfaces should be rehabilitated in order to avoid accidents and possible liability claims for negligence. It is proposed to begin this first phase near the end of FY 1990 at an estimated cost of \$290,000. The request for additional funds for rehabilitating the balance of the road surface will be delayed for one year.

**Annual Meetings Telephone System** The Bank/Fund Conferences Office (BFCO) has been reviewing less ex-

pensive alternatives of providing telephone services for the Annual Meetings. Currently telephone equipment is rented each year when the Annual Meetings are held in Washington, D.C., and rented or provided by the host country when the meetings are held overseas. Recently, the BFCO has proposed that the Fund and Bank buy a telephone system at an estimated total cost of between \$300,000–\$400,000. The equipment is expected to provide useful service for ten years. Using the purchased system, annual savings of between \$50,000 and \$100,000 per year are expected beginning in FY 1991. The Fund's portion of the purchase cost is estimated at \$160,000.

The World Bank is currently reviewing the proposal. As the Bank's budget year and accounting practices are somewhat different than those of the Fund, it is proposed to delay the purchase of the equipment until the Bank has considered and formally approved the proposal after the conclusion of their detailed technical and cost analyses. On this basis, authorization is requested to proceed with this project.

**II. Equipment Systems**

**C—Computing**

In the budget outlook paper it was mentioned that a strategic EDP plan was being reviewed by management and that proposals for acquiring data processing equipment could be significantly less than \$500,000. After reviewing the requests from departments, there were no proposals that qualified as capital projects under the current definition.

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APPENDIX I

1978-1988 ACTIVITIES OF THE FUND—SELECTED INDICATORS<sup>1</sup>

(Other than financial transactions)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
1. Member Countries	138	140	141	143	146	146	148	149	151	151	151
2. Executive Board Sessions <sup>2</sup>	226	209	207	190	211	203	202	206	235	204	232
3. Executive Board Decisions	675	679	671	622	520	614	606	607	677	614	629
4. Consultation Missions	89	95	95	87	107	129	123	135	143	137	130
5. Resident Representative and Advisor Positions <sup>1</sup>	21	21	18	17	21	25	29	34	31	30	27
6. Number of Overseas Trips (A9 and Above Staff)	1,116	1,168	1,335	1,489	1,517	1,693	1,668	1,718	1,695	1,684	1,836
7. Documents Issued											
SM	308	295	282	244	249	269	281	345	311	299	283
EBS	720	640	284	251	244	276	271	292	286	272	266
EBD	283	327	350	337	323	340	327	332	340	341	373
EBAP	339	376	380	402	447	312	285	325	327	286	317
DM	117	97	84	95	91	87	80	83	63	5	2
ID	6	7	7	8	2	5	—	—	—	—	—
SUR	—	—	—	—	—	51	121	134	133	126	116
WPS	—	—	—	—	—	—	—	—	17	87	119
TR	70	51	30	3	1	—	—	—	—	—	—
8. Man-Years of Expert Assistance Provided											
Central Banking Experts	69.8	75.5	71.3	76.4	77.2	88.1	97.9	93.0	92.0	71.0	73.5
Technical Assistance Panel	26.2	24.5	24.5	28.5	31.5	32.3	28.7	28.0	23.0	20.4	24.0
	96.0	100.0	95.8	104.9	108.7	120.4	126.6	121.0	115.0	91.4	97.5
9. IMF Institute Participants Trained	245	231	295	300	423	412	446	424	481	490	522
10. Statistical Time Series Maintained (in thousands)	329	369	379	417	432	550	630	880	900	980	1,100

<sup>1</sup>Calendar years except where indicated otherwise.

<sup>2</sup>Formal and informal sessions, seminars, and Committees of the Whole.

<sup>3</sup>The figures shown are for the financial years beginning in each of the calendar years.

## APPENDIX II

## FY 1979-FY 1989 ADMINISTRATIVE BUDGET EXPENSE TOTALS

FY	Original Budget			Original Budget Revised on Account of General Salary Adjustment and Additional Appropriations			Actual Expense			Adjusted Actual Expenses <sup>1</sup>		
	Amount	Increase from Previous Year		Amount	Increase from Previous Year		Amount	Increase from Previous Year		Amount	Increase from Previous Year	
	\$ Million	\$ Million	Percent	\$ Million	\$ Million	Percent	\$ Million	\$ Million	Percent	\$ Million	\$ Million	Percent
1979	88.1	9.7	12.4	89.7	8.2	10.1	90.6	10.2	12.7	91.0	10.6	13.2
1980	98.9	10.8	12.3	105.5	15.8	17.6	107.3	16.7	18.4	107.6	16.6	18.2
1981	125.2 <sup>2</sup>	26.3	26.6	128.2	22.7	21.5	128.7	21.4	19.9	135.8	28.2	26.2
1982	147.6	22.4	17.9	164.2	36.0	28.1	165.4	36.7	28.5	157.2	21.4	15.8
1983	173.8	26.2	17.8	180.1	15.9	9.7	182.7	17.3	10.5	182.7	25.5	16.2
1984	192.5	18.7	10.8	198.2	18.1	10.0	202.2	19.5	10.7	202.2	19.5	10.7
1985	224.4	31.9	16.6	228.4	30.2	15.2	226.4	24.2	12.0	227.9	25.7	12.7
1986	249.8	25.4	11.3	253.2	24.8	10.9	245.8	19.4	8.6	244.3	16.4	7.2
1987	242.8	-7.0	-2.9	247.6	-5.6	-2.2	247.1	1.3	0.5	247.1	2.8	1.1
1988	245.3	2.5	1.0	250.6	3.0	1.2	242.0	-5.1	-2.1	242.0	-5.1	-2.1
1989	247.2	1.9	0.8	252.5	1.9	0.7	245.0 (est.)	3.0	1.2	245.0 (est.)	3.0	1.2

<sup>1</sup>Adjusted for retroactive general salary adjustments.

<sup>2</sup>Includes \$4.8 million for interim general salary adjustment approved in March 1980.

APPENDIX III

FY 1979-FY 1989 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE CATEGORIES

(Budget Categories as Percent of Total Budget)

Object of Expense	Financial Year											Percent Change FY 1989/79
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (Est.)	
I. PERSONNEL EXPENSES												
A. Salaries	47.0	46.1	44.2	42.2	40.8	41.2	39.5	39.9	41.5	43.1	44.6	- 5.1
B. Other Personnel Expenses	<u>28.6</u>	<u>28.5</u>	<u>31.6</u>	<u>32.3</u>	<u>32.1</u>	<u>27.9</u>	<u>26.0</u>	<u>26.0</u>	<u>27.0</u>	<u>24.9</u>	<u>23.5</u>	- 17.8
	75.6	74.6	75.8	74.5	72.9	69.1	65.5	65.9	68.5	68.0	68.1	- 9.9
II. TRAVEL EXPENSES												
C. Business Travel	6.0	7.5	6.8	7.4	7.3	6.8	6.1	6.5	5.7	6.1	7.7	+ 28.3
D. Other Travel	<u>4.9</u>	<u>5.4</u>	<u>5.0</u>	<u>5.8</u>	<u>5.6</u>	<u>5.3</u>	<u>5.2</u>	<u>4.7</u>	<u>4.8</u>	<u>5.0</u>	<u>5.2</u>	+ 6.1
	10.9	12.9	11.7	13.2	12.9	12.1	11.3	11.2	10.5	11.1	12.9	+ 18.3
III. OTHER ADMINISTRATIVE EXPENSES												
E. Communications	2.8	2.8	2.6	2.3	2.5	3.3	2.9	2.4	2.4	2.4	2.6	- 7.1
F. Building Occupancy	3.6	2.9	3.4	3.2	3.5	4.5	4.5	5.9	5.5	5.4	6.2	+ 72.2
G. Books and Printing	1.4	1.3	1.1	1.1	1.0	0.9	0.9	1.0	0.9	0.8	0.9	- 35.7
H. Supplies & Equipment	1.8	1.6	1.6	2.1	2.6	2.2	2.0	2.7	1.6	2.1	2.0	+ 11.1
I. Data Processing	1.7	2.1	1.4	1.8	2.7	5.2	10.5	8.5	7.5	6.5	5.9	+247.0
J. Miscellaneous	<u>2.2</u>	<u>1.8</u>	<u>2.4</u>	<u>1.8</u>	<u>1.9</u>	<u>2.7</u>	<u>2.4</u>	<u>2.4</u>	<u>3.1</u>	<u>3.7</u>	<u>1.4</u>	- 36.4
	13.5	12.5	12.5	12.3	14.2	18.8	23.2	22.9	21.0	20.9	19.0	+ 40.7
TOTAL BUDGET	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

## APPENDIX IV

## FY 1979-FY 1989 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense <sup>1</sup>	Financial Year										1989 (est.)	Percent Change FY 1989/79
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988		
<b>I. PERSONNEL EXPENSES</b>												
<b>A — SALARIES</b>												
EDs, Alternates and Advisors	1,794	2,078	2,560	3,352	3,753	4,293	4,325	4,727	4,835	4,971	5,230	191.5
Assistants to EDs	1,941	2,290	2,624	2,693	3,187	3,561	3,796	3,895	4,242	4,481	4,650	139.5
Staff	35,684	41,410	50,248	54,138	61,234	67,810	74,971	80,473	86,236	89,036	92,320	158.7
Secretariat of Dev. Committee	—	—	—	—	—	—	—	—	—	—	—	—
TA experts and consultants	3,332	3,857	4,639	6,044	6,466	7,616	7,618	8,038	7,108	5,892	7,000	110.1
Total	42,751	49,635	60,071	66,227	74,640	83,280	90,710	97,133	102,421	104,380	109,200	155.4
<b>B — OTHER PERSONNEL EXPENSES</b>												
Dependency allowances	1,485	1,688	2,527	2,691	3,076	3,281	3,324	3,381	3,485	3,343	3,430	130.9
Settlement allowances and grants	486	788	1,064	1,187	5,785	5,302	6,938	6,227	6,874	7,987	8,080	1,562.5
Overseas allowance	1,108	1,552	1,533	1,728	1,993	2,017	2,121	2,443	2,588	2,866	2,680	141.8
Children's education allowances	619	830	1,043	1,388	1,561	1,751	1,996	2,185	2,363	2,641	2,985	382.2
Study allowances and training	300	394	511	644	606	700	707	1,045	980	837	1,025	241.6
IMF Institute living allowances	430	513	587	641	710	752	718	795	829	886	1,010	134.8
Tax allowances	6,379	7,277	9,896	11,071	9,718	9,179	9,728	9,491	11,458	11,271	9,310	45.9
Retirement contributions	13,154	15,463	22,448	27,879	30,368	28,872	28,175	31,801	30,658	19,167	20,540	56.1
Termination incentives	122	116	681	510	492	918	905	1,073	2,745	5,591	1,250	924.6
Health benefits	1,467	1,536	1,870	2,518	3,301	2,918	3,882	3,942	4,739	4,626	5,890	301.5
Life insurance and death benefits	50	58	174	6	259	86	187	-23	125	194	250	400.0
Social and welfare expenses	109	109	139	140	178	173	195	203	274	214	240	120.2
Food services	291	354	375	405	542	531	574	708	603	609	875	200.7
Total	26,000	30,678	42,848	50,808	58,589	56,480	59,450	63,271	67,720	60,230	57,565	121.4
Total Personnel Expenses	68,751	80,313	102,919	117,035	133,229	139,760	150,160	160,404	170,141	164,609	166,765	142.6
<b>II. TRAVEL EXPENSES</b>												
<b>C — BUSINESS TRAVEL</b>												
Meetings of Governors	766	2,138	1,293	1,888	2,512	1,284	1,358	3,546	1,485	1,553	3,720	385.6
Other business travel	4,657	5,885	7,947	9,749	10,914	12,394	12,330	12,394	12,064	13,227	15,100	224.2
Total	5,423	8,023	9,240	11,637	13,426	13,678	13,688	15,940	13,549	14,781	18,820	247.0
<b>D — OTHER TRAVEL</b>												
Settlement travel	2,484	2,976	3,559	4,193	4,558	4,280	4,698	5,180	4,582	5,083	5,160	107.7
Home leave travel	1,344	1,853	2,159	3,731	4,337	4,954	4,899	4,475	5,106	4,932	5,300	294.3
Miscellaneous travel	656	961	928	1,177	1,312	1,454	1,722	2,016	2,126	2,140	2,270	246.0
Total	4,484	5,790	6,646	9,101	10,207	10,688	11,319	11,671	12,085	12,155	12,730	183.9
Total Travel Expenses	9,907	13,813	15,886	20,738	23,633	24,366	25,007	27,611	25,633	29,936	31,550	218.5

APPENDIX IV (continued)

FY 1979-FY 1989 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense	Financial Year											Percent Change FY 1989/79
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (est.)	
III. OTHER ADMINISTRATIVE EXPENSES												
E — COMMUNICATIONS												
Postage and Freight	836	1,019	1,129	1,486	1,798	1,870	2,051	2,324	2,730	2,439	3,045	264.2
Telephone	797	985	1,127	1,173	1,808	3,832	3,579	2,410	2,289	2,057	2,040	155.9
Telegraph	914	995	1,226	948	946	1,021	1,122	1,261	1,324	1,283	1,265	38.4
Total	<u>2,547</u>	<u>2,999</u>	<u>3,482</u>	<u>3,607</u>	<u>4,552</u>	<u>6,723</u>	<u>6,752</u>	<u>5,995</u>	<u>6,343</u>	<u>5,780</u>	<u>6,350</u>	<u>149.3</u>
F — BUILDING OCCUPANCY												
Maintenance and operations	1,716	2,006	2,300	2,780	2,918	3,913	3,284	3,739	4,569	5,829	6,730	292.2
Utilities	1,009	989	1,355	1,601	1,782	2,139	2,595	2,537	2,313	2,248	2,315	129.4
Alterations	595	203	579	335	1,026	2,022	3,020	5,936	4,333	2,546	2,920	390.7
Rentals	10	(34)	348	399	657	1,006	1,398	2,338	2,069	2,300	3,100	30,900.0
Total	<u>3,330</u>	<u>3,164</u>	<u>4,582</u>	<u>5,115</u>	<u>6,383</u>	<u>9,080</u>	<u>10,297</u>	<u>14,550</u>	<u>13,284</u>	<u>12,925</u>	<u>15,065</u>	<u>352.4</u>
G — BOOKS AND PRINTING												
Books and periodicals	312	389	484	504	631	666	623	740	754	804	870	178.8
Contractual printing	928	1,032	1,068	1,216	1,114	1,093	1,239	1,629	1,487	1,140	1,320	42.2
Total	<u>1,240</u>	<u>1,421</u>	<u>1,552</u>	<u>1,720</u>	<u>1,745</u>	<u>1,759</u>	<u>1,862</u>	<u>2,369</u>	<u>2,242</u>	<u>1,944</u>	<u>2,190</u>	<u>76.6</u>
H — SUPPLIES AND EQUIPMENT												
Purchase of furn. and equip.	457	442	544	1,203	2,612	2,326	1,955	3,999	1,826	1,838	2,330	409.8
Rental of equipment	526	570	765	855	887	456	542	633	593	1,111	125	(76.2)
Maintenance of equipment	160	126	226	354	458	632	572	446	381	306	735	359.4
Expendable supplies	487	524	679	837	833	1,044	1,262	1,607	1,361	1,785	1,885	287.1
Total	<u>1,630</u>	<u>1,662</u>	<u>2,214</u>	<u>3,249</u>	<u>4,790</u>	<u>4,458</u>	<u>4,331</u>	<u>6,685</u>	<u>4,160</u>	<u>5,040</u>	<u>5,075</u>	<u>211.3</u>
I — DATA PROCESSING												
Fund Computer Facilities	1,355	1,802	1,519	2,462	3,029	4,945	7,266	8,164	6,051	4,243	5,100	276.4
Contractual support	—	—	—	—	—	2,170	4,114	4,951	5,032	3,615	1,880	n.a.
Other data processing	174	426	422	406	1,879	3,413	12,461	7,639	6,483	7,942	7,430	4,170.0
Total	<u>1,529</u>	<u>2,228</u>	<u>1,941</u>	<u>2,868</u>	<u>4,908</u>	<u>10,528</u>	<u>23,841</u>	<u>20,754</u>	<u>17,566</u>	<u>15,800</u>	<u>14,410</u>	<u>842.4</u>
J — MISCELLANEOUS												
Representation	318	335	404	468	480	616	656	620	780	796	715	124.8
Insurance	393	539	355	401	444	398	424	543	798	795	965	145.5
Misc. contractual services	1,193	1,067	2,543	2,013	2,532	4,709	4,734	5,016	6,440	7,640	2,245	88.2
Sundries	122	47	(88)	(63)	12	(243)	(182)	(222)	(246)	(263)	(380)	n.a.
Total	<u>2,026</u>	<u>1,988</u>	<u>3,214</u>	<u>2,819</u>	<u>3,468</u>	<u>5,480</u>	<u>5,632</u>	<u>5,957</u>	<u>7,772</u>	<u>8,968</u>	<u>3,545</u>	<u>74.8</u>
Total Other Adm. Expenses	<u>12,302</u>	<u>13,462</u>	<u>16,985</u>	<u>19,378</u>	<u>25,846</u>	<u>38,028</u>	<u>52,715</u>	<u>56,310</u>	<u>51,367</u>	<u>50,456</u>	<u>46,635</u>	<u>279.1</u>
Total	<u>90,960</u>	<u>107,588</u>	<u>135,790</u>	<u>157,151</u>	<u>182,708</u>	<u>202,154</u>	<u>227,882</u>	<u>244,325</u>	<u>247,142</u>	<u>242,001</u>	<u>244,950</u>	<u>169.2</u>
Retroactive Adjustment <sup>2</sup>	-415	-246	-7,074	+8,200	—	—	-1,480	+1,480	—	—	—	—
Officially Recorded Total	<u>90,545</u>	<u>107,342</u>	<u>128,716</u>	<u>165,351</u>	<u>182,708</u>	<u>202,154</u>	<u>226,402</u>	<u>245,805</u>	<u>247,142</u>	<u>242,001</u>	<u>244,950</u>	<u>170.5</u>

<sup>1</sup>Due to rounding, details may not add up to totals.

<sup>2</sup>The amounts shown in this table reflect adjustments on account of retroactive general salary adjustments and related benefits, the costs of which have been charged to later years because the accounts for the year of attribution were already closed when the retroactive payments were paid. The purpose of this adjustment is to make for a more realistic comparison between financial years.

## APPENDIX V

## FY 1979-FY 1989 STAFF CEILINGS BY UNIT OF ORGANIZATION

(To make for more realistic comparisons, staff ceilings of departments have been adjusted retroactively for the whole period on account of interdepartmental transfers of positions during the period. Details are shown in the footnotes.)

Department/ Bureau/Office	Financial Year											Percent Change FY 79/89
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	
<b>MANAGEMENT</b>	8	6	6	6	7	7	7	6	7	7	9	12.5
African <sup>1</sup>	87	88	92	100	103	109	113	117	117	128	133	52.9
Asian <sup>2</sup>	58	58	59	61	61	62	61	61	61	64	65	12.1
European	69	69	70	73	77	83	84	84	83	83	84	21.7
Middle Eastern <sup>1</sup>	42	43	45	45	45	45	45	45	44	44	44	4.8
Western Hemisphere <sup>4</sup>	84	87	88	89	90	97	101	104	106	106	107	27.4
<b>Area Departments</b>	340	345	354	368	376	396	404	411	411	425	433	27.4
Central Banking	21	21	21	21	22	23.5	23.5	24.5	24.5	24.5	26.5	26.2
Exchange & Trade Relations	70	71	72	78	83	88	90	90	91	93	95	35.7
Fiscal Affairs	69	69	70	73	75	77.5	78.5	80.5	80.5	81.5	82.5	19.6
IMF Institute	52	52	53	55	57	58	60.5	64.5	64.5	63.5	63.5	22.1
Legal	32	32	33	34	34	34	34	34	34	34	35	9.4
Research <sup>5</sup>	70	70	72	74	77	80	82	83	84	87	89	27.1
Treasurer's <sup>6</sup>	113	118	119	130	130	130	130	131	131	133	134	18.6
<b>Functional &amp; Special Service Departments</b>	427	433	440	465	478	491	498.5	507.5	509.5	516.5	525.5	23.1
External Relations <sup>7</sup>	44	47	47.5	54.5	55	57	58	58.5	58.5	59.5	57.5	30.7
Bureau of Statistics <sup>8</sup>	95	95	97	99	102	107	111	112	116	116	116	22.1
Office in Europe	14	14	14	15	15	15	15	15	15	15	14	—
Office in Geneva	3	3	6	6	6	6	6	6	6	6	6	100
Special Representative to UN	2	2	2	2	2	2	2	2	2	—	—	—
<b>Information, Statistics &amp; Liaison</b>	158	161	166.5	176.5	180	187	192	193.5	197.5	196.5	193.5	22.5
Administration <sup>9</sup>	203	206	210	215	216	219	223.5	224.5	224.5	227	225	10.8
Secretary's <sup>10</sup>	81	82	83	85	87.5	89.5	95.5	99.5	99	99	98	20.9
Bureau of Computing Services <sup>11</sup>	63	65	65.5	65.5	64.5	66.5	73.5	74.5	71	73	74	17.5
Bureau of Language Services	91	91	96	100	100	100	100	100	100	97	95	4.4
Internal Auditor	6	7	7.5	7.5	7.5	7.5	8	8	8	9	9	50
Investment Office — SRP	—	—	—	—	—	—	—	2	3	3	4	—
<b>Support Services</b>	444	451	462	473	475.5	482.5	500.5	508.5	506.5	508	505	13.7
Resident Representatives & Advisors	21	21	18	17	21	25	29	34	31	30	27	28.6
Secretarial Staff	8	7	18.5	20.5	21.5	21.5	27.5	27.5	28.5	28.5	28.5	256.3
<b>Support Group<sup>12</sup></b>	29	28	36.5	37.5	42.5	46.5	56.5	61.5	59.5	58.5	55.5	91.4
<b>TOTAL</b>	1,406	1,424	1,465	1,526	1,559	1,610	1,658.5	1,688	1,691	1,711.5	1,721.5	22.4

Note: In FY 1978 the Balance of Payments Division was transferred from the Research Department to the Bureau of Statistics. In FY 1981 publications and editorial staff were transferred from the Secretary's Department to the new External Relations office which also incorporated the former Information Office. The Finance and Development Office was added to EXR in FY 1984. In FY 1988, the functions of the Special Representative to the UN were transferred to EXR. In addition, Resident Representative and Advisor posts were transferred from the area departments to the Support Group. In FY 1983 data processing staff in Administration, Statistics, Research, and Treasurer's were transferred to the new Bureau of Computing Services. To make for more realistic comparisons the following retroactive adjustments have been made on account of these transfers:

<sup>1</sup>AFD: FY 78-80, -1.

<sup>2</sup>ASD: FY 79-80, -8.

<sup>3</sup>MED: FY 79, -3; FY 80, -4.

<sup>4</sup>WHD: FY 79, -9; FY 80, -8.

<sup>5</sup>RES: FY 78-79, -3; FY 80-82, -6.

<sup>6</sup>TRE: FY 77-80, -12; FY 81-82, -13.

<sup>7</sup>EXR: adjustments to Information Office ceiling: FY 77-79, +20; FY 80, +22. Additional adjustment also made on account of F&D becoming part of EXR in 1984: FY 77-80, +7; FY 81-82, +7.5; FY 83, +7.

<sup>8</sup>STAT: FY 78-79, -17; FY 80-82, -18.

<sup>9</sup>ADM: FY 79, -31; FY 80, -29; FY 81-82, -28.5.

<sup>10</sup>SEC: FY 77-79, -20; FY 80, -22.

<sup>11</sup>BCS: addition of all positions shown, FY 77-82.

<sup>12</sup>Support Group: addition of all positions shown FY 77-80.

APPENDIX VI

FY 1979-FY 1989 INCREASES IN STAFF CEILINGS BY MAIN GROUPINGS OF ORGANIZATIONAL UNITS

Main Groupings of Organizational Units	Financial Year											Totals	
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1979-89	1984-89
(A) Additional Positions <sup>1</sup>													
Management	1	-2	—	—	1	—	—	-1	1	—	2	2	2
Area Departments	1	5	9	14	8	20	8	7	—	14	8	94	37
Functional & Special													
Service Departments	6	6	7	25	13	13	7.5	9	2	7	9	104.5	34.5
Information, Statistics, & Liaison	—	3	5.5	10	3.5	7	5	1.5	4	-1	-3	35.5	6.5
Support Services	3	7	11	11	2.5	7	18	8	-2	1.5	-3	64	22.5
Support Group	<u>1</u>	<u>-1</u>	<u>8.5</u>	<u>1</u>	<u>5</u>	<u>4</u>	<u>10</u>	<u>5</u>	<u>-2</u>	<u>-1</u>	<u>-3</u>	<u>27.5</u>	<u>9.0</u>
<b>TOTAL</b>	<b>12</b>	<b>18</b>	<b>41</b>	<b>61</b>	<b>33</b>	<b>51</b>	<b>48.5</b>	<b>29.5</b>	<b>3.0</b>	<b>20.5</b>	<b>10</b>	<b>327.5</b>	<b>111.5</b>
(B) Percentage Increase in Staff Ceiling <sup>2</sup>													
Management	—	—	—	—	—	—	—	—	—	—	—	—	—
Area Departments	0.3	1.5	2.6	3.9	2.2	5.3	2.0	1.7	—	3.4	1.9	27.4	9.3
Functional & Special													
Service Departments	1.4	1.4	1.6	5.7	2.8	2.7	1.5	1.8	0.4	1.4	1.7	23.1	7.0
Information, Statistics, & Liaison	—	1.8	3.4	6.0	1.9	3.9	2.7	0.8	2.1	-0.5	-1.5	22.5	3.5
Support Services	0.7	1.6	2.4	2.4	0.5	1.5	3.7	1.6	-0.4	0.3	-0.6	13.7	4.7
Support Group	<u>3.5</u>	<u>-3.5</u>	<u>30.3</u>	<u>27.4</u>	<u>13.3</u>	<u>9.4</u>	<u>21.5</u>	<u>8.9</u>	<u>-3.3</u>	<u>-1.7</u>	<u>-5.1</u>	<u>91.4</u>	<u>19.4</u>
<b>TOTAL</b>	<b>0.8</b>	<b>1.3</b>	<b>2.9</b>	<b>4.2</b>	<b>2.2</b>	<b>3.3</b>	<b>3.0</b>	<b>1.8</b>	<b>0.2</b>	<b>1.2</b>	<b>0.6</b>	<b>22.4</b>	<b>6.9</b>

<sup>1</sup>Includes positions added or deleted during the course of the year.

<sup>2</sup>Data for management has been omitted because small numerical changes in this group produce large percentage changes which distract attention from changes in the main functional areas.

**APPENDIX VII**  
**FY 1979-FY 1989 FINANCIAL TRANSACTIONS**

	Financial Year										
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (10 mos.)
	<i>Number</i>										
I. General Resources Account											
A. Member Countries at End of Period	138	140	141	145	146	146	148	149	151	151	151
B. Transactions in General Resources Account											
1. Stand-By Arrangements Agreed	14	24	21	19	27	25	24	18	22	14	12
2. Extended Arrangements Agreed	4	4	10	5	4	2	—	1	1	1	1
3. Purchases											
Reserve Tranche	16	17	19	39	37	82	17	3	13	2	5
Credit Tranche	30	51	73	62	75	114	94	87	131	84	42
Buffer Stock	2	5	—	—	14	5	—	—	—	—	—
Compensatory Financing	19	27	21	25	33	14	15	10	10	9	5
Extended Facility	8	11	19	30	23	30	9	7	8	14	5
Total	75	111	132	156	182	245	135	107	162	109	57
4. Repurchases	432	665	744	700	472	479	837	990	1,271	1,493	1,251
5. Reconstitutions	41	1	9	—	—	—	—	—	—	—	—
6. Acquisitions <sup>1</sup>	—	—	—	18	90	187	235	270	298	201	145
7. Total Purchase, Repurchases and Reconstitutions (3. + 4. + 5. + 6.)	548	777	885	874	744	911	1,207	1,367	1,731	1,803	1,453
	<i>In millions of SDRs</i>										
8. Total Purchases	3,720	2,433	4,860	8,041	11,392	11,518	6,289	4,101	3,685	4,153	2,151
9. Total Repurchases	4,859	3,776	2,853	2,010	1,555	2,018	2,730	4,289	6,169	7,935	5,513
10. Reconstitution of SDRs from the General Resources Account	75	5	20	—	—	—	—	—	—	—	—
11. Acquisitions of SDRs for payment of charges <sup>1</sup>	—	—	—	24	162	330	953	1,550	750	399	190
12. Total Purchases, Repurchases and Reconstitutions (8. + 9. + 10. + 11.)	8,654	6,214	7,733	10,075	13,109	13,866	9,972	9,940	10,604	12,487	7,854
C. Total Quotas of Members at End of Period	39,011	39,017	59,606	60,685	61,060	89,236	89,302	89,305	89,988	89,988	89,988

<sup>1</sup>Data not available before FY 1982.

APPENDIX VII (continued)

FY 1979-FY 1989 FINANCIAL TRANSACTIONS

	Financial Year										
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (10 mos.)
	<u>Number</u>										
II. SDR Department											
A. Holders at End of Period											
1. Participants	137	140	141	144	146	147	148	149	151	151	151
2. Prescribed holders	1	6	10	12	14	14	14	14	16	16	16
B. Number of Transactions and Operations <sup>1</sup>											
1. Transactions with Designation	152	238	142	129	146	106	126	136	140	40	—
2. Transactions by Agreement	55	59	81	197	161	258	325	270	370	493	378
3. Operations <sup>2</sup>	122	136	144	151	172	456	715	730	823	850	844
4. Transfers to and from the General Resources Account <sup>3</sup>	781	1,002	1,365	1,279	974	1,246	1,255	1,338	1,629	2,110	1,789
5. Total Transfers (1. + 2. + 3. + 4.)	1,110	1,435	1,732	1,756	1,453	2,066	2,421	2,474	2,962	3,493	3,011
	<u>In millions of SDRs</u>										
C. Volume of Transfers											
1. Transactions with Designation	1,080	1,372	1,883	1,874	2,713	2,402	2,153	1,809	1,276	986	—
2. Transactions by Agreement	1,533	362	418	1,242	1,281	3,175	2,706	2,677	3,925	7,335	5,882
3. Operations <sup>4</sup>	71	190	223	403	669	1,382	487	424	1,091	1,142	1,336
4. Transfer to and from the General Resources Account <sup>3</sup>	2,674	3,152	9,712	5,453	6,307	15,708	10,357	10,724	9,312	10,405	7,679
5. Total Transfers (1. + 2. + 3. + 4.)	5,358	5,076	12,236	8,972	10,970	22,667	15,703	15,634	15,604	19,868	14,897
D. Cumulative SDR Allocations at End of Period	13,348	17,381	21,433	21,433	21,433	21,433	21,433	21,433	21,433	21,433	21,433

<sup>1</sup>Defined as the number of times SDRs are transferred. For example, a transaction with designation in which three countries are designated to provide currency in exchange for SDRs used by one country counts as three transactions rather than one transaction. Similarly, when charges are paid to the General Resources Account, the number of transactions recorded is equal to the number of members paying charges on that occasion. Each payment of net charges or receipt of net interest in the SDR department is counted as one transaction.

<sup>2</sup>Including payment of net charges or receipt of the net interest for each holder in the SDR Department.

<sup>3</sup>Interest on SDR holdings received by the General Resources Account is reflected in this line.

<sup>4</sup>The amounts in this line, in conformity with those presented in the Financial Statements of the SDR Department, reflect the value of net interest received by participants and prescribed holders in the SDR Department. They do not include the volume of net charges in the SDR Department.

**APPENDIX VIII**  
**FY 1979—FY 1989 INCOME, EXPENSES AND RESERVES**  
(In millions of SDRs)

	Financial Year										
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 (10 mos.)
Operational Income	753.3	614.2	882.3	1,788.9	2,045.3	2,792.0	3,482.1	3,029.5	2,250.7	1,954.4	1,481.6
Operational Expense	633.7	525.0	702.3	1,543.5	1,788.5	2,526.2	3,287.7	2,727.9	1,937.7	1,730.2	1,291.8
Net Operational Income	119.6	89.2	179.9	245.4	257.0	265.8	194.3	301.6	277.0	224.2	189.8
Net Administrative Budget Expense	68.6	81.3	98.9	142.4	164.9	188.9	224.4	220.5	190.9	171.0	146.9
Net Fixed Property Expense	—	0.3	1.3	11.4	15.5	3.9	0.5	0.4	—	4.1	1.5
Total Administrative and Fixed Property Expense	73.4 <sup>1,2</sup>	86.1 <sup>1,2</sup>	99.9 <sup>1,2</sup>	153.3 <sup>1</sup>	191.4 <sup>1,3</sup>	192.8 <sup>1</sup>	224.2 <sup>1</sup>	223.4 <sup>1</sup>	190.9 <sup>1</sup>	175.1	148.4
Net Income or Expense (-)	46.2	3.1	80.1	92.0	65.4	73.1	-29.9	78.1	86.1	49.1	41.4
Reserves:											
General	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6
Special	<u>394.5</u>	<u>397.6</u>	<u>477.7</u>	<u>569.7</u>	<u>635.1</u>	<u>708.2</u>	<u>678.3</u>	<u>756.5</u>	<u>842.5</u>	<u>891.7</u>	<u>933.0<sup>4</sup></u>
Total	<u>760.1</u>	<u>763.2</u>	<u>843.3</u>	<u>935.3</u>	<u>1,000.7</u>	<u>1,073.8</u>	<u>1,043.9</u>	<u>1,122.1</u>	<u>1,208.1</u>	<u>1,257.2</u>	<u>1,298.6</u>

Note: Due to rounding to nearest SDR 0.1 million, figures may not add up.

<sup>1</sup>Includes amounts for net valuation adjustment.

<sup>2</sup>Includes amortization of past service liabilities of the Staff Retirement Plan.

<sup>3</sup>Includes cumulative effects (to April 30, 1982) of changing the method of accounting for compensated absences and accumulated separation grants (SDR 11.0 million).

<sup>4</sup>Includes year-to-date income provisionally placed to the Special Reserve pending decision by the Executive Board.

## INDEX

(References are to page numbers; page numbers in italics indicate main references in the section "Budget by Unit of Organization")

### A

Administration Department (ADM), 46, 48–51, 126  
Administrative Expenses by Object of Expense Categories, 8–9, 14, 99–110, 122–125  
Administrative Tribunal, 40–41, 51  
African Department (AFR), 2, 6, 8, 46, 48–49, 52–53, 65, 83, 88, 126  
Annual Meeting of Board of Governors, 4, 6, 10–12, 22–24, 62–63, 74–75, 82–83, 101, 104, 106, 108, 110, 124  
Annual Meetings Telephone System, 115, 117  
*Annual Report of the Executive Board*, 24, 36, 38, 63, 76, 108  
*Annual Report on Exchange Arrangements and Exchange Restrictions*, 36, 38, 63, 108  
Appropriations, 1, 14–15, 100, 114, 116  
*Articles of Agreement*, 36, 68  
Asbestos abatement, 115–116  
Asian Department (ASD), 28, 46, 48–49, 54–55, 102, 126  
Audit, annual, see External Audit  
Automation projects, see data processing

### B

*Balance of Payments Statistics*, 33–35, 84, 108  
Books and periodicals, 100, 108, 123, 125  
Bretton Woods Recreation Center, 104, 106, 109–110, 113–117  
Budget projections, FY 1990–1992, 11–12  
Buffer Stock Financing Facility (BSFF), 53, 55, 59, 71–73, 79, 128  
Building alterations, maintenance and operations, 100, 106, 107, 123, 125  
Burden sharing, 3, 25, 69

### C

Capital budget, 1, 6–7, 10, 15, 113–117  
Central Banking Department (CBD), 3, 30, 46, 48–49, 56–57, 126  
Christmas party, 104  
Communications, 100, 105, 123, 125  
Compensatory and Contingency Financing Facility (CCFF), 2, 4, 25, 27, 37, 53, 55, 59, 61, 65, 69, 71, 73, 79  
Compensatory Financing Facility (CFF), 25, 29, 55, 71, 73, 128  
Computing facilities, 100, 109–110, 113, 125  
Computing Services, Bureau of (BCS), 46, 48–49, 80–81, 99, 114, 126  
Concordia/Bond apartments, 103, 106, 109, 113, 116  
Conditionality, 3, 25, 61  
Consultants, 7–8, 100, 102, 124  
Consultations with members, 2, 26, 53, 55, 59–60, 65, 71, 79, 121  
Contractual employees, 101–102  
Contractual printing, 100, 108, 125  
Contractual services, 100, 106, 109–110, 125  
Credit Union, 106

### D

Data processing, 11, 41, 99–101, 109–110, 113–115, 117, 123, 125  
Death benefits, 100, 102, 124  
Dependency allowances, 100, 102, 124  
Deputy Managing Director, 48  
Development Committee, 2, 22–25, 60, 74–75, 82, 104, 110, 124  
*Direction of Trade Statistics*, 33, 35, 84, 108

### E

Economic Information System (EIS), 3, 33, 40, 81, 85, 109  
Economist Program, 7–8, 40, 101

Economist Workstation (EWS), 40–41, 81, 109  
Education allowances, children's, 100, 102–103, 124  
Electronic Data Processing (EDP), see Data Processing  
Enhanced Structural Adjustment Facility (ESAF), 2–4, 12, 16, 25, 27–29, 37, 53, 55, 61, 65, 69, 71, 77, 79, 91  
Equipment, 100, 107–109, 123, 125  
European Department (EUR), 46, 48–49, 58–59, 102, 126  
Europe, Office in (PAR), 37, 46, 48–49, 86–87, 106, 126  
European Monetary System (EMS), 3, 59, 73  
Exchange and Trade Relations Department (ETR), 25, 46, 48–49, 60–61, 88, 102, 126  
Executive Directors, Advisors to, 21–22, 24–25, 100–105, 124  
Executive Directors, assistants to, 21, 24, 100–105, 124  
Experts, see Technical Assistance Experts  
Extended Fund Facility (EFF), 29, 69, 79, 128  
External audit, 40, 90–91, 110  
External Relations Department (EXR), 25, 28, 36, 46, 48–49, 62–63, 83, 126  
*External Relations Pamphlet Series (EXRPs)*, 36, 63, 108

### F

*Finance and Development*, 36, 38, 63, 106, 108  
Fiscal Affairs Department (FAD), 4, 25, 28, 30, 46, 48–49, 64–65, 102, 126  
Food services, 100, 102, 104, 124  
Freight, 100, 106  
Furniture, 10, 100, 108–109

### G

General Department, 12, 16, 21  
General Resources Account, 2, 13, 17, 27, 77, 128–129  
Geneva, Office in (GEN), 37, 46, 48–49, 88–89, 106, 126  
*Government Finance Statistics*, 33, 35, 84, 108  
Governors, Board of, 21–22, 46, 63, 68, 74–75, 104  
Grievance Committee, 102  
Group of Seven (G-7), 3, 26, 59, 73, 79  
Group of Ten (G-10), 22, 61, 86–87, 110  
Group of Twenty-Four (G-24), 22, 24, 61, 75, 110

### H

Health benefits, 100, 102–103, 124  
Home leave allowance, 105

### I

IMF Institute (INS), 3, 11, 30, 32, 40, 46, 48–49, 64–67, 82–85, 101–105, 108, 121, 124, 126  
IMF Institute, cost per participant day, 30  
*IMF Memorandum*, 63  
*IMF Survey*, 36, 38, 63, 108  
IMF Visitors' Center, 62–63, 110  
Income, expenses, and reserves of the Fund, 130  
Individual Study Program, 42, 103  
Information and External Relations, 4, 9, 21, 36–39, 63  
Insurance, 100, 110, 125  
Interim Committee, 22, 22–25, 60, 74–75, 82, 104, 110  
Interim Committee, Chairman of, 22, 104  
Internal Auditor, Office of (AUD), 46, 48–49, 90–91, 102, 126  
International Families of the Fund Organization (InFFO), 104  
*International Financial Statistics*, 33–35, 84–85, 108  
International Square, 6–7, 10, 40, 51, 104, 106–107, 113, 115–117

Investment Office—Staff Retirement Plan (INV), 46, 48–49, 92–93, 126  
Islamic banking, 26, 71, 73

## J

Joint Committee on Staff Compensation, 4, 40–41, 51

## L

Language Services, Bureau of (BLS), 40, 46, 48–49, 81–83, 108, 126  
Legal Department (LEG), 12, 25, 30, 46, 48–49, 68–69, 102, 126  
Library,  
    Joint Fund-Bank, 40, 50–51, 106, 108, 114  
    Legal, 108  
Life Insurance, 100, 102–104, 124  
Life safety systems, 115–116  
Living allowances, IMF Institute, 32, 100, 102–103, 124

## M

Managing Director, 48, 63, 83, 103  
Manpower, effective, 47, 49, 101  
Manpower utilization by program, 21  
Medical Benefits Plan (MBP), 10, 51, 103–104  
Membership in the Fund, 121, 128  
Microcomputers, 4, 41, 81, 109–110  
Middle Eastern Department (MED), 46, 48–49, 70–71, 102, 126  
Missions, 27, 53, 55, 57, 59, 61, 65, 71, 73, 79, 83, 85, 104

## O

*Occasional Papers*, 36, 63, 108  
Ombudsman, 102  
Operations and Relations with Member Countries, 2, 21, 27–28  
Organization, chart of, 45  
Outplacement assistance, 103  
Overdue obligations, 2, 25, 77  
Overseas allowances, 100, 102–103, 124  
Overtime, 7–8, 101

## P

Paris Club, 59, 61, 87  
Paris Office, see Office in Europe  
Parking charges, 106, 108  
Picnic, 104  
Policy Development and Research, General, 2–3, 9, 21, 25  
Postage, 100, 105–106, 125  
Press conferences and releases, 36–37, 63  
Printing, see Contractual printing  
Publications program, 35, 38, 108

## Q

Quotas, Ninth General Review of, 2–3, 25, 69, 77

## R

Rental of equipment, 100, 109, 125  
Rental of space, 51, 100, 106, 108, 115–117, 125  
Representation expenses, 100, 110, 125  
Research Department (RES), 12, 25, 46, 48–49, 72–73, 88, 102, 126  
Resident representatives and advisors, 7–8, 29, 53, 55, 71, 79, 94–95, 105, 121, 126  
Retirement contributions, 100, 102–103, 124

## S

Salaries, 99–102, 123–124  
Salary adjustments, 1–2, 6, 8, 10–11, 99–101, 122, 125  
SDR Department, 2, 12, 16, 129  
SDRs, 2, 25–26, 62, 73, 76–77, 128–129  
Secretarial Staff, Support Group, 94  
Secretary's Department (SEC), 12, 46, 48–49, 74–75, 102, 126  
Separation grants, 1, 10, 102

Settlement allowances, 100, 102, 124  
Settling-in grants, 100, 102  
Social and welfare expenses, 100, 102, 104, 124  
Special appointees, 7–8, 30, 101, 105  
Special Disbursement Account (SDA), 2, 12, 16  
Special Drawing Rights, see SDRs  
Special Representative to UN, 4, 37, 63  
Special Services to Member Countries, 3, 9, 21, 29–32  
Spouse allowance, 1, 100, 102  
Staff ceiling, 14, 48, 101, 126–127  
Staff Contingency Fund, 101  
*Staff Papers*, 36, 38, 73, 108  
Staff Retirement Plan (SRP), 1, 4, 6, 10–11, 40, 51, 69, 92–93, 99, 103  
Stand-by arrangements, 29, 128  
Statistical services, 3, 21, 33, 35, 121  
Statistics, Bureau of (STA), 3, 30, 33, 46, 48–49, 67, 84–85, 102, 126  
Structural Adjustment Facility (SAF), 2–4, 12, 16, 27–29, 37, 53, 55, 61, 65, 69, 71, 77, 79, 104  
Study allowances, 100, 103, 124  
Summer Intern Program, 7–8, 101  
Sundries, 100, 110, 125  
Supplementary Financing Facility (SFF) Subsidy Account, 12–13, 77  
Supplies, expendable, 100, 108–109, 125  
Support Group, 48, 94–95, 127  
Support Services, General, 4, 9, 20, 40–42  
Surveillance, 3, 59, 79

## T

Tax allowances, 1, 100, 102–103, 124  
Technical assistance, 3, 30–31, 57, 65, 85  
Technical assistance expert man-year, cost of, 30  
Technical assistance experts, 3, 7–8, 30–31, 57, 65, 100–105, 121, 124  
Telegraph, 100, 105–106, 125  
Telephone, 100, 105–106, 125  
Temporary assistance, 101–102, 121  
Termination Benefits Fund (TBF), 103  
Termination incentives, 100, 102–103, 124  
Training of staff, 42, 103, 124  
Travel,  
    airfares, 99, 105  
    business, 100, 104, 123–124  
    education, 105  
    emergency, 105  
    field and social, 105  
    home leave, 100, 105, 124  
    rest and recuperation, 105  
    settlement, 100, 105, 124  
    spouses' points, 105  
    study, 105  
Treasurer's Department (TRE), 12, 25, 28, 46, 48–49, 76–77, 102, 126  
Trust Fund, 12–13, 77  
United Nations Development Programme (UNDP), 3, 37, 69, 88

## U

United Nations' *System of National Account* (SNA), 4, 33–34, 85  
Use of Fund resources, 2, 29, 53, 55, 59, 71, 79  
Utilities, 100, 106–108, 125

## V

Vacancies, 7, 101

## W

Western Hemisphere Department (WHD), 8, 28, 46, 48–49, 78–79, 126  
Western Presbyterian Church (WPC), 1, 6, 11, 51, 114–115  
Work Load Indicators, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 121  
Workers' Compensation policy, 110  
World Bank, 2, 4, 22, 25, 28, 37, 51, 55, 57, 60–61, 64–65, 69, 71, 74, 79, 83–84, 86, 101, 106, 108, 117  
World Economic and Financial Surveys (WEFS), 36, 63, 73, 108  
*World Economic Outlook*, 2–3, 25–26, 36, 40–41, 59, 63, 73, 79, 81, 108–109