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April 1, 1988

To: Members of the Executive Board
From: The Secretary
Subject: Administrative and Capital Budgets for FY 1989

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 1989. These are scheduled for discussion by the Executive Directors on Monday, April 25, 1988.

Att: (1)

Other Distribution:
Department Heads

ADMINISTRATIVE AND CAPITAL BUDGETS

For Financial Year 1989

International Monetary Fund

Washington, D.C.

March 1988

ADMINISTRATIVE AND CAPITAL BUDGETS FOR FINANCIAL YEAR 1989

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Managing Director's Statement on The Administrative and Capital Budgets for Financial Year 1989

INTRODUCTION

1. Pursuant to Section J-4 of the Rules and Regulations and EBM/86/186 (11/21/86), I am presenting herewith, for the Executive Directors' consideration and approval, the Administrative and Capital Budgets for FY 1989, which cover the 12 months beginning May 1, 1988. The budget estimates for administrative and capital expenses are expressed in U.S. dollars. In the section on the General Financial Picture, the SDR equivalents are also given. As the Fund's income position is to be reviewed in a separate paper, only administrative and capital expenses are dealt with in this statement.

2. The budget document includes, in addition to this statement and the draft decisions, four sections which analyze the budget by program (pages 19 to 40), by unit of organization (pages 43 to 93), by object of expense (pages 97 to 108), and by capital expense (pages 111 to 114). The object of expense and capital expense sections form the basis for the budget decisions by the Executive Board. At the back are appendices covering financial and budgetary data for the last ten years, and an index.

GENERAL FINANCIAL PICTURE

Administrative Budget in FY 1988 and FY 1989

3. The Administrative Budget for FY 1988, as approved by the Executive Board on April 15, 1987, totaled \$245.3 million (SDR 193.9 million).¹ Subsequently, the Executive Board approved three supplementary appropriations: \$4.5 million on account of the 1987 general salary adjustment (EBM/87/69, May 6, 1987), \$0.2 million for a feasibility study related to the acquisition of the Western Presbyterian Church property (EBM/87/83, June 5, 1987), and \$0.6 million for the development and implementation of an office automation system for Executive Directors' offices (EBM/87/92, June 19, 1987), to give a revised budget ceiling of \$250.6 million (SDR 198.1 million).² The revised estimate for FY 1988 is \$246.8 million (SDR 195.1 million). The proposed Administrative Budget for FY 1989 is \$247.2 million (SDR 181.7 million).³ A brief analysis of the budget proposal is contained in paragraphs 21-29 of this statement. It should be noted that the budget amount does not include the cost of any general salary adjustment (GSA) for FY 1989. However, for reference purposes, each increase in staff salaries of 1 percent would cost about \$1.6 million⁴ (SDR 1.2 million) on an annual basis and result in a 0.6 percent rise in total administrative expenses.

Capital Budget in FY 1988 and FY 1989

4. In FY 1988, in line with the decision adopted at EBM/86/186 (11/21/86), a separate Capital Budget, including projects of a capital nature costing at least \$100,000, was approved by the Executive Board on April 15, 1987, for projects totaling \$8.8 million (SDR 7.0 million); the total cost of these capital projects will occur over a multi-year period. The revised estimate of total costs for projects beginning in FY 1988 is \$8.5 million (SDR 6.4 million). The proposed Capital Budget for FY 1989 includes project expenses of \$3.4 million (SDR 2.5 million), and a brief analysis of the FY 1989 Capital Budget is contained in paragraphs 30-31 of this statement.

Net Administrative and Capital Expenses

5. The line item "Administrative Expenses" which appears in reports on the Fund's income and expenses does not take account of reimbursement of expenses for conducting the business of the Special Drawing Rights 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 37-38. 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. The total net administrative and capital expenses over the three-year period, FY 1987-FY 1989, including these reimbursements, are shown in Table 1. After taking account of capital outlays and assuming a GSA of, say, 5 percent (\$8.0 million) for FY 1989, the rate of increase in total expenses, net of these reimbursements, would amount to approximately 2.4 percent in FY 1989. As

¹Converted at U.S. \$1.00 = SDR 0.790400 as of March 2, 1987.

²SDR estimates for FY 1988 expenses are as follows: actual expenses through February 29, 1988 in terms of SDRs plus estimated U.S. dollar expenses for March and April 1988 converted at the rate of U.S. \$1.00 = SDR 0.735007 as of March 1, 1988.

³All FY 1989 figures expressed in SDRs are converted at the rate of U.S. \$1.00 = SDR 0.735007 as of March 1, 1988.

⁴Including associated additional costs for Staff Retirement Plan contributions, tax and spouse allowances, and accrued annual leave and separation grants.

TABLE 1. TOTAL ADMINISTRATIVE AND CAPITAL EXPENSES INCLUDING REIMBURSEMENTS
(In millions of U.S. dollars)

	FY 1987 Actual	FY 1988 Revised Estimate	FY 1989 Projection	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
Administrative budget expenses excluding GSA and capital expenses	242.4	242.3	247.2	+ 4.9	2.0
Reimbursement for administering the SDR department	-5.0	-5.0	-5.2	- 0.2	
Reimbursement for administering the SAF/ESAF	-6.9	-9.2	-12.5	- 3.3	
Net administrative budget expenses excluding GSA and capital expenses	230.5	228.1	229.5	+ 1.4	0.6
Capital expenses ¹	1.3	5.4	6.1	+ 0.7	
Total net expenses excluding GSA	231.8	233.5	235.6	+ 2.1	0.9
GSA	3.4	4.5	8.0	+ 3.5	
Total net nominal expenses	235.2	238.0	243.6	+ 5.6	2.4
Total net real expenses ²	227.7	221.4	217.5	- 3.9	-1.8

¹Capital expenses are those expenses of the multi-year capital budget that are actually incurred during the year.

²Deflated using the Washington Consumer Price Index, FY 1986 = 100.

this growth rate is less than the implicit price deflator, Fund expenses so defined are projected to decline in real terms

by 1.8 percent in FY 1989, following a decline of 2.8 percent in the previous year.

WORK PROGRAM IN FINANCIAL YEAR 1989

6. Although some indicators of work load related to operations and relations with member countries declined somewhat in CY 1987 from the near record levels of the previous year, activities remained at a high level, particularly in African countries. In total, there were 204 negotiations for the use of Fund resources (217 in 1986), of which 66 were conducted at headquarters (76 in 1986) and 49 were within the framework of an Article IV consultation (48 in 1986). An increasing amount of time was devoted during the year to SAF activities, including both mission work and substantial collaboration with the World Bank and member governments. The work load related to SAF operations absorbed the equivalent of some 54 man-years of staff time, of which approximately 23 were handled by the staff of the African Department. At present, 23 countries have SAF arrangements compared to 9 at the end of 1986.

7. Overall, operational and country work, particularly in connection with the SAF/ESAF, is projected to increase in FY 1989. Staff time devoted to ESAF-related activities is expected to rise to a level of approximately 78 man-years, as discussions on ESAF arrangements will be held during the coming year with most member countries which remain eligible. Altogether, approximately 50-60 countries are expected to request use of Fund resources in the coming year, compared with 29 in CY 1987, and 43 in CY 1986. Article IV consultations will continue to absorb considerable staff resources, although efforts to streamline Article IV reports and the implementation of the simplified interim consultation procedure should help to reduce somewhat the pres-

ures associated with the consultation process. The volume of financial activity, including financial arrangements under ESAF, is also expected to rise in FY 1989. The problem of overdue obligations will require much staff attention during the year, and emphasis will continue to be placed on preventive action, including assisting countries to take measures that will facilitate the settlement of their obligations to the Fund.

8. A full program of work in connection with general policy development and research is projected for FY 1989. In the first part of the year, the work program will include follow-up activities arising from the April 1988 meetings of the Interim and Development Committees. The scope of the World Economic Outlook will be expanded to incorporate medium-term scenarios that will highlight the economic interactions between countries and groups of countries, with special attention given to developing countries. Efforts will also be intensified to support the policy coordination (including fiscal coordination) and multilateral surveillance processes among G-7 countries, and work on the functioning of the international monetary system and the role of the SDR in the system will continue. Studies of the issues underlying the design of programs of economic adjustment and the impact of Fund-supported programs on income distribution, initiated in 1987, will continue in FY 1989 and will include a selective evaluation of past Fund-supported adjustment programs and empirical testing of key historical relationships. Also included in the work program for the coming financial year are a review of conditionality, a

review of the proposed external contingency mechanisms, additional papers on trade policy issues, and the first progress report on operations under the ESAF.

9. Other policy issues for consideration in FY 1989 include work on the Ninth General Review of Quotas and reviews of: (i) the policy on enlarged access and access limits for FY 1989; (ii) the Fund's liquidity and borrowing needs, especially in the context of a possible revitalization of the Extended Fund Facility; (iii) various topics related to the management of the debt situation; (iv) access limits for the third year under the original SAF; (v) matters relating to developing countries, including stabilization policies and structural reform; (vi) the Compensatory Financing Facility; and (vii) the Fund's financial position, including the financial effects of overdue obligations, the decision on burden sharing and analyses of the Special Contingent Account. Overall, the program of policy development and research is expected to require some increase in staff resources in FY 1989, though every effort will be made to contain the work load by carefully coordinating activities among the departments concerned and by avoiding duplication of effort.

10. Continuing an approach followed over several years, FY 1988 saw a further shift of emphasis in the technical assistance services program from long-term to short-term assistance, directed towards supporting the Fund's operational activity and the design and implementation of structural reforms. This shift, together with the increasing difficulty in recruiting banking supervision and other experts and the temporary shortage of senior staff to lead missions, resulted in some underutilization of the FY 1988 expert budget allocation. However, in the coming year, the volume of assistance provided by staff of the Fiscal Affairs Department, the Central Banking Department, and the Bureau of Statistics, as well as technical assistance provided by experts, is expected to rise in comparison with FY 1988, with the use of expert man-years projected to increase by 13.5 percent from estimated usage of 96 man-years in FY 1988 to 109 man-years in FY 1989. Because it is seen as a more efficient and focused way of providing technical assistance, the increased emphasis on short-term technical assistance will be continued and, to facilitate this, it is proposed to increase the limit on the number of experts that can be assigned to headquarters from 5⁵, to up to 10 in the coming financial year. Technical assistance services provided by the other area and functional departments will be continued at their present level. Overall, it is proposed to maintain resources allocated to the program of special services to member countries in the FY 1989 budget at the level budgeted for FY 1988.

11. The IMF Institute program for FY 1989 includes provision for 5,005 participant-weeks of training (equivalent to 96.3 man-years) compared with 5,025 participant-weeks (96.6 man-years) in FY 1988; this marginal decline reflects the decision to reduce the duration of the longer courses by two weeks which will more than compensate for the effects of scheduling two additional short seminars in FY 1989. The Institute's external training program will include 5 overseas seminars (4 in FY 1988). Lecturing

assistance to regional training institutions is likely to increase in FY 1989, given the anticipated requests by training institutions in Africa and the Arab Monetary Fund's Economic Policy Institute. Although a proposed increase in the daily allowance paid to participants will lead to additional costs, this increase will be offset by the elimination of certain nonessential benefits now provided to participants, such as spouse travel allowed for participants in the courses on Financial Analysis and Policy and by a reduction in the level of the current social program.

12. In the statistical services program, attention will continue to be given to improving the quality of economic and financial statistics in the Economic Information System (EIS), and to defining the focus, future development and use of the EIS. During the year, the development of country, regional, and global economic and financial data will be reviewed with all concerned departments with the objective, inter alia, of achieving a greater sharing of data and reducing duplicative reporting and data maintenance. As a corollary to this effort, a survey of the users of Fund statistics—both official and nonofficial—will also be undertaken. The results of the survey will provide some guidance on the future size and direction of the statistical publications program and also will help provide a basis for future decisions on allocation of resources. Work on the United Nations' *A System of National Accounts (SNA)* will intensify as the Fund will host the Expert Group Meeting on Financial Flows and Balances in September, 1988, the results of which will be used in the revision of the *Guide to Money and Banking Statistics in IFS*.

13. The external relations activities will focus on explaining issues of structural adjustment, the Fund's role in economic policy coordination and a number of other evolving policies to the media and to interested nonofficial groups and individuals. Contacts with media groups will be intensified, including a systematic program of regional press seminars, targeted at high-level, senior correspondents and increased activities with journalists specializing in developing countries. It is planned to conduct two overseas seminars for nonofficials in Kuala Lumpur and Hamburg. The program of exhibits, films and lectures at the IMF Visitors' Center will be maintained at about the present level. Items in the publications program will include a study of value-added taxation and a fourth volume of *The Fund Agreement in the Courts*, as well as six papers in the *World Economic and Financial Surveys (WEFS)* series, seven *Occasional Papers* and two to three pamphlets on Fund activity. The staff will continue to review the scope and quantity of Fund publications. While maintaining the high quality of publications, an effort will also be made to improve their clarity for nonspecialized readers.

14. Work in connection with other international organizations will include intensified collaboration with the World Bank as the two institutions expand their respective lending activities in support of structural adjustment programs. GATT activities are expected to expand as full trade negotiations develop under the Uruguay Round. Increased emphasis will be placed on relations with the United Nations, reflecting the expanded role of the Special Representative to the UN; this will provide the Fund with an opportunity to contribute to the working papers and influence the policy

⁵Approved at EBM/69/23, 4/9/69.

pronouncements of UN agencies. Efforts will also be made to improve contacts with non-governmental organizations and groups, and as a first step, a study will be made of the most effective way to approach this task. Attention will also be given to discussions on finance, banking legislation, statistical and other issues which will arise in the fora of the OECD, UNCTAD, and other international organizations.

15. In FY 1989, major tasks in the area of support services will include work on a more fully integrated approach to career development for staff through mobility, counselling, training, and external assignments; the revision of the compensation structure and policies that are likely to emerge from the work of the Joint Committee on Compensation; and the completion and implementation of the results of the Staff Retirement Plan review. The job grading appeals process will be completed during the coming year, and work on establishing an Administrative Tribunal will continue in light of the Board discussion which is scheduled for May 1988. In addition, there will be reviews of the Workers' Compensation Policy, the quality and

coverage of medical services, dependency allowances and appointment terms for support staff. Substantial resources will need to be provided for building occupancy activities, particularly the completion of the move of the Joint Library to International Square, the completion of the Data Center and associated renovations of the Concourse, the consequential relocation of staff in the headquarters building and the opening of the cafeteria at International Square. Continued emphasis will be given to enhancing data security, especially in the computer area, in order to reduce the risks of leaks of sensitive information; contingent emergency plans in the event of a breach in security will also be developed. In the data processing area, the level of EDP resources in FY 1989 will decline somewhat from the level of FY 1988 as the development of many new automated systems has been completed. In the budget field, further efforts will be made to develop more meaningful Fund-wide work load indicators and to integrate these with the development of a strategic planning function for Fund activities and priorities.

BUDGET PROPOSALS FOR FY 1989

Assumptions and Framework of the FY 1989 Administrative and Capital Budgets

16. In recent years, the Fund has paid increasing attention to the need to more efficiently allocate and utilize its human and financial resources to meet the increasing and changing work loads and responsibilities and yet maintain a size and structure of the institution that has proven to be efficient and adaptable. Maintaining effective control over the growth of the Fund's budget and organization was endorsed by the Executive Board at the Midyear Review of the FY 1988 Administrative and Capital Budgets in December 1987. As part of this effort, management, in discussions with departments, has sought to focus more attention on the functions and activities of the Fund, and to identify ways in which the work load of the Executive Board, management and staff can be controlled without reducing the capacity of the Fund to provide what is needed by the membership. This effort is intended to be a continuing process, which will focus primarily on changes to be achieved over the medium and long term, with no major or dramatic results expected in the short term. Nevertheless, the ideas and suggestions which have emerged so far from the discussions have had some influence on the direction of resource allocations proposed in the FY 1989 budget.

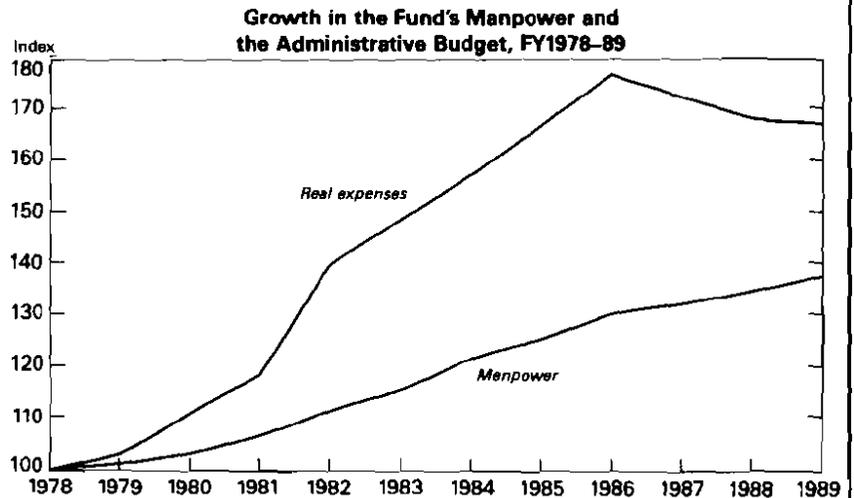
17. In the search for ways to achieve further economies without loss of efficiency, one issue which will be given greater attention in the future is the possibility of "contracting out" certain support activities which at present are handled in-house. This approach, which has already been adopted in the areas of travel reservations, building cleaning and maintenance, and security services, can provide a practicable and cost-effective alternative to using regular staff, particularly when specialized skills are needed. It seems likely that a number of other support and service functions now performed in the Fund by regular staff members could be undertaken by outside vendors, subject to

security considerations, without material loss of quality, and with benefit to the administrative budget. Another area which will be carefully reviewed is the collection, management and use (including publication) of data in the Fund. These are very important activities and a substantial volume of resources is committed to them across several departments in the Fund, but it is also important to ensure that these activities proceed in an integrated way and that unnecessary duplication be avoided. Steps are also being taken to improve the coordination and control of electronic data processing work within the Fund, and the FY 1989 EDP budget includes a number of individual project allocations which will be released only after preliminary studies have demonstrated that the projects are fully justified in terms of costs and benefits and that the original objectives of the projects will be met.

18. After considering the projected staff work load in FY 1989, the work pressures already faced by the staff, the current staffing level in the Fund, and the need to maintain firm control over the growth in expenditures, management has decided to present Administrative and Capital Budgets for FY 1989 which maintain total real administrative and capital expenses, adjusted for reimbursements for SDR and SAF activities, practically unchanged from last year's level. In formulating the Administrative Budget, additional manpower resources have been allocated only where this is clearly required by present and prospective work pressures and priorities, and—as far as practicable within the limits of a single annual budget—these additional resources have been found by redeploying them from other areas of lesser priority, or where savings can be achieved by changes in operating procedures. At the same time, because the full scope and longer-term impact of the FY 1989 work programs cannot be definitively determined at this point, and in some cases the need for resources is contingent upon studies which have not yet been completed, the budget also includes a limited number of unallocated staff positions

The proposed administrative and capital expenses in FY 1989, including an allowance of \$8 million for the General Salary Adjustment, are \$261.3 million; this is more than three times the expenses of \$80.4 incurred in FY 1978. The average annual increase in nominal expenses during this 11 year period is 11.6 percent and 4.9 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 numerous items in the two budgets. However, such a deflator is only available for the last few years.

Expressed in real terms, the proposed expenses in FY 1989 are 67 percent above the level in FY 1978. During this period, the number of man-years has increased by 37.4 percent, from 1,689 to 2,320. This represents an average annual increase of 3.0 percent. The chart provides an overview of the increases in real expenses during the period FY 1978 to FY 1989, as well as the growth in manpower.



which would be held in reserve but could be deployed quickly, at management's discretion, to meet demonstrated requirements in the course of the year. Overall, the budget provides for an increase in the regular staff ceiling of only 8 positions, including these unallocated positions. It may also prove necessary during the year to redeploy some staff positions among departments, in order to respond quickly to changing work pressures; the form of the Executive Board decision proposed on page I3 is designed to allow management the flexibility to do this.⁶

19. The total amount provided in the proposed Administrative Budget to meet the recurring expenses needed to fund the anticipated work load in FY 1989 is \$244.5 million. This total makes no provision for a general salary adjustment (GSA); the timing of the availability of firm comparator salary data has required that a decision on the size of the annual GSA be normally taken only in May, after the annual budget has been approved. In order to facilitate year-to-year comparisons, however, the Executive Board has requested that a tentative estimate of the next GSA be included in the budget document. If last year's increase in comparator salaries is repeated this year, a GSA increase of about 5 percent, or about \$8 million, after the customary deduction of 2.4 percent in respect of merit allocations, would be suggested. Accordingly, total recurring administrative expenses for FY 1989, including a GSA of this amount, are estimated at \$252.5 million. In addition, provision is made for nonrecurring expenses of \$2.7 million, of which \$2.4 million represents additional costs for the An-

⁶In the past, Executive Board decisions adopting the annual administrative budget have included a sentence approving the proposed ceiling on staff positions and the distribution of these positions among departments, and providing that these shall not be exceeded without prior Board approval. The draft decision proposed this year retains the provision that the overall staff ceiling is not to be exceeded without prior Board approval, but does not extend this to the distribution of the positions among departments. However, management will continue to notify the Board in advance of proposed inter-departmental transfers of senior staff (Grade B), as required by Rule N-12.

nual Meetings in Berlin and the remainder is for expenses associated with the election of Executive Directors. When the expenses for capital projects of \$6.1 million described later in this statement are also taken into account, administrative and capital expenses are estimated to total \$261.3 million, as shown in Table 2.

20. This table also shows that the total of \$261.3 million for FY 1989 is some 3.6 percent higher than the corresponding total for FY 1988. One major factor which has contributed to containing overall costs in FY 1989 is the lower expenses for the Staff Retirement Plan in comparison with FY 1988.⁷

Proposed Administrative Budget for FY 1989

21. The proposed Administrative Budget for FY 1989, excluding capital expenses and the GSA, amounts to \$247.2 million. Main features of the budget proposal are summarized in the following paragraphs.

22. For the third consecutive year, the proposed FY 1989 budget provides for only a relatively small increase in manpower: a total of 45.9 man-years (2.2 percent) over the FY 1988 figure. Approximately 40 percent of this Fund-wide increase reflects the anticipated filling of vacant positions. Based on the projected areas of work load pressure in FY 1989, priority in the allocation of additional manpower has been given to the operational work of the Fund, particularly the SAF and ESAF activities, the need to fund technical assistance activities at the levels of previous years, and the necessity to staff adequately the program of general policy development and research. Accordingly, virtually the entire increase in man-years will be provided to the departments responsible for these activities (area departments will be allocated 12.2 man-years; the Central

⁷As a result of the recent excellent investment experience of the Plan and a change in the contribution formula, the Fund's contribution to the Plan will decline from an estimated \$25.3 million under the old system in FY 1988 to a projected \$20.1 million in FY 1989.

TABLE 2. CALCULATION OF FY 1989 ADMINISTRATIVE AND CAPITAL BUDGETS
(In millions of U.S. dollars)

	FY 1988	FY1989	FY 1989 Compared with FY 1988	
			Increase + Decrease -	Percent Change
Recurring administrative expenses	239.8	252.5 ¹	+ 12.7	5.3
Plus: Nonrecurring administrative expenses	7.0	2.7	- 4.3	-61.4
Total administrative expenses	246.8	255.2	+ 8.4	3.4
Plus: Capital expenses	5.4	6.1	+ 0.7	13.0
Total administrative and capital expenses	252.2	261.3	+ 9.1	3.6
Less: Provision for GSA in FY 1989 ¹		-8.0		
Total proposed expenses for FY 1989		253.3		

¹Assumes a general salary increase of 5 percent.

Banking and Fiscal Affairs Departments will receive 17.8 man-years, including 13.0 man-years for the expert program; and the remaining functional departments will be allocated 12.2 man-years).

23. Included in the proposed manpower total are an additional 8 regular staff positions for FY 1989. This includes 5 unallocated positions which are budgeted to provide management with the flexibility to meet staffing requirements of departments in the light of evolving activities. These positions will be allocated to departments and filled with staff members only when it is clear that the need cannot be accommodated within the existing departmental resources or through redeployment from other areas of the Fund, and that the requirement is likely to be long term. Following a practice that was used more actively during FY 1988, it may also be necessary for management

during the year to continue to move staff across departmental lines to areas where the most intense pressures emerge.

24. Summary tables comparing the proposed increases in staff ceilings and manpower by department are shown on pages 46 and 47. It should be noted that the FY 1988 Administrative Budget made provision for 30 positions for resident representatives and advisors, 2 of which were undesignated. It is proposed to reduce the authorized number of positions to 27 in FY 1989, reflecting the closing of the post in the East Caribbean Currency countries and the elimination of the 2 undesignated posts. A summary of resident representative assignments anticipated in FY 1989, compared with current assignments in FY 1988, is shown on page 93.

25. As shown in Table 3, the proposed manpower increase of 45.9 man-years for FY 1989 over the estimated

TABLE 3: PROPOSED FY 1989 MANPOWER COMPARED WITH FY 1988 ESTIMATED MANPOWER¹
(In Man-Years)

	FY 1988 Rev. Est.	Change	Proposed FY 1989
Staff:			
Regular Positions	1,711.5	+ 8.0	1,719.5
Vacancies ²	-106.5	+ 17.8	-88.7
Economist, Summer Intern and Special Appointee Programs	50.1	+ 5.7	55.8
Temporaries — A9 and above	148.9	+ 2.8	151.7
Temporaries — A1-A8	139.3	- 6.5	132.8
Overtime	28.9	+ 2.3	31.2
Subtotal	1,972.2	+ 30.1	2,002.3
Consultants	13.3	+ 2.8	16.1
Experts	96.0	+ 13.0	109.0
Total	2,081.5	+ 45.9	2,127.4

¹Excludes Executive Directors and their staffs.

²Departments are allowed to recruit and charge the cost of temporary/contractual employees against regular position vacancies. In FY 1988, approximately 51 percent of the 106.5 man-years of vacancies were filled using temporary employees.

actual usage in FY 1988 reflects the following changes: (i) the addition of 24 new staff positions, including 5 unallocated positions, partially offset by the elimination of 16 existing staff positions, which will raise the staff ceiling to 1,719.5; (ii) a reduction in existing vacancies equivalent to 17.8 man-years; (iii) an increase of 5.7 man-years in the Economist, Summer Intern and Special Appointee Programs, (iv) a decline of 3.7 man-years for temporary assis-

tance; (v) an increase of 2.3 man-years in paid overtime; (vi) an increase of 2.8 man-years for the service of consultants, reflecting mostly the needs of the area and functional departments; and (vii) an increase of 13.0 man-years of technical assistance provided by experts.

26. The proposed increases in manpower and regular positions in FY 1989, compared with those approved over the past five years, are shown in Table 4.

TABLE 4: CHANGES IN REGULAR POSITIONS AND TOTAL MANPOWER, FY 1984-89
(In Man-Years)

Financial Year	Change from Previous Year ¹		Percent Change	
	Regular Positions	Total Manpower	Regular Positions	Total Manpower
1984	51.0	90.4	3.3	5.1
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	38.2	1.2	1.9
1989	8.0	45.9	0.5	2.2

¹As of the end of each financial year.

27. A breakdown of the proposed Administrative Budget for FY 1989 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 page 9.

TABLE 5. ADMINISTRATIVE EXPENSES, FY 1987-FY 1989
(In millions of U.S. dollars)

Object of Expense	FY 1987 Actual Expenses	FY 1988 ¹ Estimated Expenses	FY 1989 ² Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
I. PERSONNEL EXPENSES					
A—Salaries	102.4	106.0	109.8	+3.8	3.6
B—Other Personnel Expenses	67.7	61.2	57.7	-3.5	-5.7
Subtotal	170.1	167.2	167.5	+0.3	0.2
II. TRAVEL EXPENSES					
C—Business Travel	13.5	14.5	17.1	+2.6	17.9
D—Other Travel	12.1	12.2	13.1	+0.9	7.4
Subtotal	25.6	26.7	30.2	3.5	13.1
III. OTHER ADMINISTRATIVE EXPENSES					
E—Communications	6.3	6.0	6.7	+0.7	11.7
F—Building Occupancy	13.3	13.3	15.4	+2.1	15.8
G—Books and Printing	2.2	2.1	2.2	+0.1	4.8
H—Supplies and Equipment	4.2	5.2	5.2	—	—
I—Data Processing	17.6	17.3	16.4	-0.9	-5.2
J—Miscellaneous	7.8	9.0	3.6	-5.4	-60.0
Subtotal	51.4	52.9	49.5	-3.4	-6.4
TOTAL	247.1	246.8	247.2	+0.4	0.2

¹Beginning in FY 1988, capital expenses are included in a separate capital budget.

²Excludes any amount for a general salary adjustment.

28. Table 6 compares the proposed Administrative Budget of \$247.2 million (excluding the GSA) for FY 1989

with the revised budgets and actual expenses over the past five years.

TABLE 6. REVISED BUDGET ESTIMATES COMPARED WITH ACTUAL EXPENSES, FY 1984–FY 1989

(in millions of U.S. dollars)

Financial Year	Revised Budget ¹	Actual Expenses	Increase in Actual Expenses from Previous Year	
			\$ Million	Percent
1984	204.5	202.2	19.5	9.6
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	246.8 (est.)	-0.3	-0.1
1989	247.2 ²			

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

²Proposed budget excluding the GSA. If a GSA of \$8.0 million is included, the total would be \$255.2 million.

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

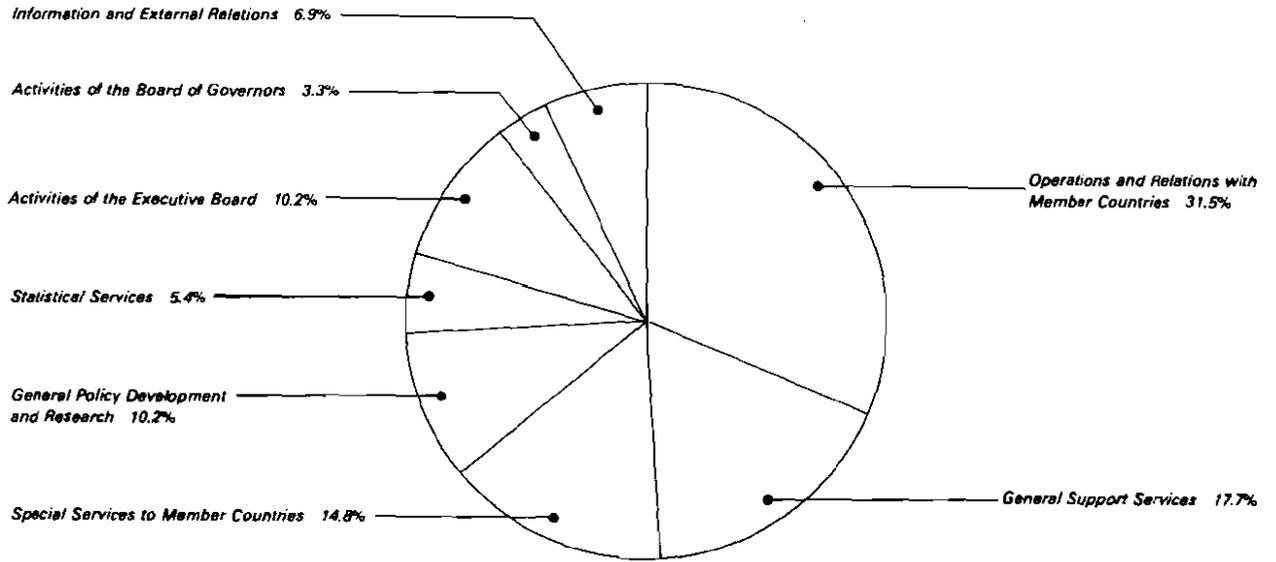
istrative expenses in FY 1989, in comparison with FY 1988, are listed below:

	<u>\$ Thousand</u>
(i) Annual Meetings in Berlin	2,390
(ii) Net cost of merit increases and promotions for staff and assistants to Executive Directors after allowance for staff turnover ¹	1,420
(iii) Higher expenses for rental in the International Square building	1,350
(iv) Other personnel expenses, not included elsewhere	1,300
(v) Increase in experts from 96 man-years to 109 man-years and the general salary increase for contracts with effective assignment dates commencing on or after February 19, 1988	1,200
(vi) Higher expenses for building occupancy	950
(vii) Lower staff position vacancy rate in FY 1989 ¹	940
(viii) Increased business and settlement travel costs	790
(ix) Higher medical benefit and life insurance payments	760
(x) Higher expenses for communications	660
(xi) Net expenses of an increase of 8 regular positions ¹	660
(xii) Higher costs of settlement and travel expenses in an election year for Executive Directors	300
(xiii) Absence of expenses related to the Early Retirement Assistance Scheme ¹	-6,570
(xiv) Lower costs associated with the Staff Retirement Plan	-4,760
(xv) Lower expenses for data processing excluding staff and contractual salaries and benefits	-870
(xvi) Lower net additional accruals for unused annual leave and separation grants for staff and assistants to Executive Directors	-550
(xvii) Absence of accruals initiated in FY 1988 for unused annual leave for contractual staff	-400
(xviii) Other factors	900
	<u>470</u>

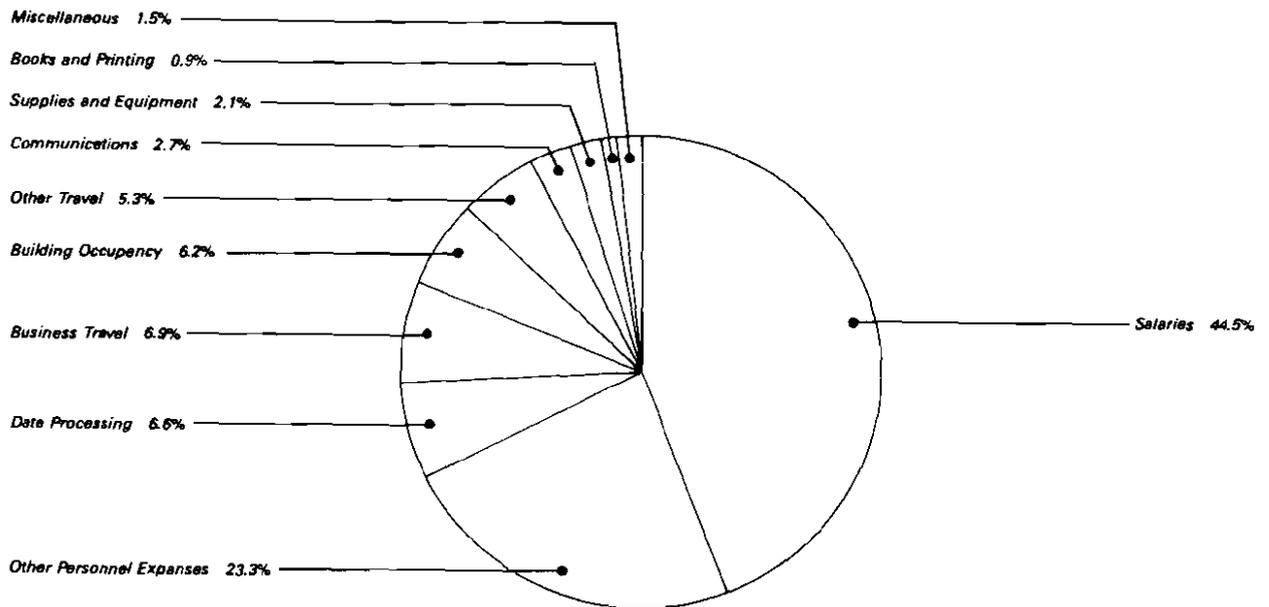
¹Includes salaries and other personnel expenses.

PERCENTAGE DISTRIBUTION OF ADMINISTRATIVE BUDGET FOR FY 1989
 (\$247.2 million)

BY PROGRAM



BY OBJECT OF EXPENSE



Proposed Capital Budget for FY 1989

30. The capital budget proposal for FY 1989 includes six projects estimated to cost \$3.4 million. Of this total, \$2.9 million is for four building facility projects at headquarters. Three of these projects provide for the conversion into office space of areas on the Concourse and Red levels that will be vacated by the Joint Library, and for the relocation of offices and other support functions on those levels. The fourth project is for the purchase and installation of additional heating, ventilation, and air conditioning equipment on the ground floor that is needed to accommodate an increase in offices and personnel. The remaining two projects, estimated to cost \$0.5 million, will provide improvements to the water and sewerage system at the Bretton Woods Recreation Center, and some additional minicomputer equipment. Table 7 summarizes the proposed investment in capital projects scheduled to begin in FY 1989.

TABLE 7. CAPITAL BUDGET, FY 1989–FY 1991
(In millions of U.S. dollars)

	Proposed			
	Total	FY 1989	FY 1990	FY 1991
I. Building space facilities				
A. Headquarters	2.9	2.9	—	—
B. Other locations	0.4	0.1	0.3	—
	3.3	3.0	0.3	—
II. Equipment systems				
C. Computing	0.1	0.1	—	—
Total capital projects	3.4	3.1	0.3	—

PROJECTION OF ADMINISTRATIVE AND CAPITAL EXPENSES FOR THE THREE-YEAR PERIOD, FY 1989–FY 1991

32. Table 8 places the proposed Administrative Budget for FY 1989 in the context of projections for the next three years. The projections for FY 1990 and FY 1991 are based upon certain assumptions, some of which tend to change significantly in the short term. Accordingly, the projections for FY 1990 and FY 1991 are only an indication of the trend of likely expenses based on one set of assumptions. Given that increases in some areas of the Fund's work load will occur and that manpower will be needed to meet these areas of pressure, it is likely that some additional manpower may be needed in FY 1990 and FY 1991. At the same time, however, attention is being focused on ways to control the work load of the Fund so as to maintain a size and structure of the institution that is efficient and adaptable. As noted in paragraph 16, this effort is a continuing process which will not produce any major results in the short term. The assumptions on additional manpower for FY 1990 and FY 1991 do not provide for any increases at this time beyond the level budgeted for the current year.

31. In addition to the projects included in the capital budget proposal, several capital project requests and studies are under consideration. One is the feasibility study for the acquisition of the Western Presbyterian Church property approved at EBM/87/83, June 5, 1987. This study is substantially complete, and a report is being prepared for submission to the Executive Board early in FY 1989. Other studies include: (i) a review of the need for, and cost of, replacing equipment and making other renovations in the cafeteria and kitchen at headquarters, and (ii) an investigation of the Fund's mainframe computer capacity, usage, and the potential need for additional computing equipment. Depending upon the results of these studies, proposals to proceed with these or other capital projects that are considered beneficial and cost-effective may be submitted to the Executive Board during FY 1989.

Administrative Budget Projections

33. The main assumptions underlying the projections for FY 1990 and FY 1991 are as follows:

(i) As mentioned above, no increase in manpower in FY 1990 and FY 1991 has been included in the projections. As an indication of the costs associated with increases in manpower, every ten additional man-years would 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 general salary adjustments, merit increases, and staff turnover, will remain approximately constant in real terms.

(iii) It is assumed that vacancy levels will stabilize in FY 1989.

(iv) It is assumed that the overall rate of inflation affecting budgetary items will be about 3–5 percent per annum. Within this overall range, it is expected that there

**TABLE 8. PROJECTIONS OF ADMINISTRATIVE EXPENSES
FY 1989–FY 1991**

(In millions of U.S. dollars)

	Actual		Rev. Est.	Projections		
	FY 1986	FY 1987	FY 1988	FY 1989 ¹	FY 1990	FY 1991
Personnel Expenses	161.9	170.1	167.2	175.5	185.0	196.2
Travel Expenses	27.6	25.6	26.7	30.2	28.5	29.7
Other Administrative Expenses	56.3	51.4	52.9	49.5	51.0	51.5
Total	245.8	247.1	246.8	255.2	264.5	277.4
Percent change over previous year	8.6	0.5	-0.1	3.4	3.6	4.9

¹ Differs from the proposed budget by \$8.0 million for a possible general salary adjustment.

will continue to be variations in the price movements of different items, i.e., prices for equipment will increase at rates lower than the average, and prices for medical benefit services will increase at above average rates.

(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 continue to decline marginally.

(vii) It is assumed that contributions to the Staff Retirement Plan will not fluctuate significantly after FY 1989.

(viii) It is assumed that the level of technical assistance will be maintained at the FY 1989 level.

(ix) 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 at headquarters, and the two-year cycle for the election of Executive Directors.

34. The administrative expense proposal for FY 1989 is explained in detail in the Object of Expense section of the document (pages 97–108). For FY 1990, administrative expenses are projected to increase by 3.6 percent (\$9.3 million). The estimated increase reflects \$8.8 million for higher salaries and other personnel expenses as a result of possible merit increases, general salary adjustments, and other factors, \$2.6 million for the impact of inflation on travel and other administrative expenses, and \$0.5 million for increased rental payments at International Square. These increases are offset partially by a reduction in expenses due to lower costs for the Annual Meetings which

will be held in Washington in FY 1990 (-\$2.4 million), reduced expenses as FY 1990 is a nonelection year for Executive Directors (-\$0.3), and by other miscellaneous factors.

35. The projection for administrative expenses for FY 1991 is 4.9 percent (\$12.9 million) higher than for FY 1990. The estimated increase is comprised primarily of \$10.1 million for increased salary and other personnel expenses as a result of possible merit increases, general salary adjustments, etc., \$2.9 million for the impact of inflation on travel and other administrative expenses, and \$0.3 million for increased expenses for an election year for Executive Directors. These increases are offset slightly by projected small decreases in a number of accounts.

Capital Budget Projections

36. As mentioned in paragraph 31, there are several studies underway that may result in proposals to the Executive Board for new capital projects in addition to the FY 1989 capital project proposals contained on pages 111–114. 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 1989 Capital Budget are not incorporated in this section.

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

SDR Department

37. 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 1987 to

estimate these costs has again been used in FY 1988. 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 1988 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 15. Following the procedure outlined above, the cost of conducting the business of the SDR Department for FY 1989 is expected to be about SDR 3.8 million. This estimate will be reviewed at about this time next year, and a final assessment for FY 1989 will be proposed for the approval of the Executive Board as part of the FY 1990 budget document.

Special Disbursement Account

38. The Regulations for the Administration of the Structural Adjustment Facility 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 ESAF will also be 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 1988, the cost of administering the SAF is 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 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-related costs of salaries, benefits, and travel of Executive Directors and staff to the Fund-wide costs for these items. As in the case of the SAF, where the expenses prior to the decision establishing the Facility were absorbed by the General Resources Account, it is proposed that the expenses incurred by the Fund in FY 1988 relating to the establishment of the ESAF be absorbed by the General Resources Account. On that basis, the revised estimate for these costs for the period May 1, 1987–April 30, 1988 is SDR 6.9

million, compared with the original estimate of SDR 6.3 million made in March 1987. For FY 1989, the cost of administering the SAF/ESAF is tentatively estimated to be about SDR 9.2 million. This estimate will be reviewed in a year's time, and a final estimate for FY 1989 will be proposed for the approval of the Executive Board as part of the FY 1990 budget document.

Trust Fund

39. 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 1988, the cost of these activities is estimated to be less than SDR 250,000 and it is proposed that this amount be absorbed, as in previous years, by the General Resources Account. The expenses in FY 1989 are estimated to be small as well.

SFF Subsidy Account

40. The Supplementary Financing Facility Subsidy Account was established in December 1980 and the subsidy payments commenced in December 1981. Section 15 of the Instrument establishing the 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 that are attributable to donations made to the Account under Section 3 are not to be included in the total resources for purposes of making the assessment of compensation of expenses. No assessments were made with respect to FY 1981 and FY 1982 as the SFF Subsidy Account held no assessable resources as of April 30, 1981 and as of April 30, 1982. The resources as of April 30, 1987 amounted to SDR 115 million, yielding an assessment of SDR 115,000 which was absorbed by the General Resources Account. The resources to be held in the account as of April 30, 1988 are estimated to be about SDR 70 million, which yields an assessment of SDR 70,000. In view of the negligible costs directly attributable to the SFF Subsidy Account, it is again proposed that these costs be absorbed by the General Resources Account in FY 1988. The expenses in FY 1989 are also estimated to be relatively small.

DRAFT DECISIONS

41. The draft decisions relating to the Administrative and Capital Budgets for FY 1989 (pages 13 and 14), an assessment for the expenses of the SDR Department

(page 15), and a reimbursement for the expenses of the Special Disbursement Account (page 16) are proposed for adoption by the Executive Board.



Michel Camdessus
Managing Director

March 1988

**DRAFT DECISION RELATING TO THE ADMINISTRATIVE BUDGET ESTIMATES
FOR FINANCIAL YEAR 1989**

1. Appropriations for administrative expenses for Financial Year 1989 are approved in the total amount of \$247,230,000. This amount will apply to the various categories of expense as follows:

I. PERSONNEL EXPENSES

A — Salaries	\$109,790,000
B — Other Personnel Expenses	57,740,000

II. TRAVEL EXPENSES

C — Business Travel	17,140,000
D — Other Travel	13,090,000

III. OTHER ADMINISTRATIVE EXPENSES

E — Communications	6,660,000
F — Building Occupancy	15,420,000
G — Books and Printing	2,190,000
H — Supplies and Equipment	5,170,000
I — Data Processing	16,390,000
J — Miscellaneous	3,640,000
	<u>\$247,230,000</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 1,719.5 and its distribution by departments, bureaus and offices as set forth in the budget on page 46 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 1989**

1. Appropriations for capital projects beginning in Financial Year 1989 are approved in the total amount of \$3,425,000. This amount will apply to the various categories as follows:

	<u>Total</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>
I. BUILDING SPACE FACILITIES				
A—Headquarters.....	\$2,915,000	\$2,915,000	—	—
B—Other Locations	375,000	90,000	\$285,000	—
II. EQUIPMENT SYSTEMS				
C—Computing	135,000	135,000	—	—
	<u>\$3,425,000</u>	<u>\$3,140,000</u>	<u>\$285,000</u>	<u>—</u>

2. Commitments may be made for each lettered Category A–C 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 1988**

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, 1987 to April 30, 1988, 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, 1988 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 1988**

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 6,900,000 for the expenses of administering the Facility and the Trust for the period May 1, 1987 to April 30, 1988, and the reimbursement shall be made at the close of the financial year.

Administrative Budget for FY 1989

BUDGET BY PROGRAM

FY 1989 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 activity. Indicators of activity should be treated with caution. Much of the Fund's work is not easily quantified, and there-

fore 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. Beginning with this year's presentation, the activities previously shown under the programs "Information and Statistical Services" and "Relations with International Organizations" are now subdivided into "Statistical Services" and "Information and External Relations."

(A) COST OF PROGRAMS

(In thousands of U.S. dollars)

Program	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
1. Activities of the Board of Governors	6,013	5,907	8,148	+ 2,241	37.9
2. Activities of the Executive Board	24,164	24,176	25,224	+ 1,048	4.3
3. General Policy Development and Research	25,195	24,841	25,179	+ 338	1.4
4. Operations and Relations with Member Countries	78,350	77,632	77,957	+ 325	0.4
5. Special Services to Member Countries	35,375	34,028	36,605	+ 2,577	7.6
6. Statistical Services	14,270	13,083	13,182	+ 99	0.8
7. Information and External Relations	17,144	16,609	17,180	+ 571	3.4
8. General Support Services	46,631	50,484	43,755	- 6,729	- 13.3
TOTAL	247,142	246,760	247,230	+ 470	0.2

(B) MANPOWER UTILIZATION BY PROGRAM

(in paid man-years)

Program	FY 1987 Actual	FY 1988 Estimate	FY 1989 Proposed	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
1. Activities of the Board of Governors	40	38	38	—	—
2. Activities of the Executive Board	239	244	245	+ 1	0.4
3. General Policy Development and Research	242	241	249	+ 8	3.3
4. Operations and Relations with Member Countries	659	670	692	+ 22	3.3
5. Special Services to Member Countries	304	298	315	+ 17	5.7
6. Statistical Services	113	113	114	+ 1	0.9
7. Information and External Relations	149	145	143	- 2	- 1.4
8. General Support Services	485	524	524	—	—
TOTAL	2,231	2,273 ¹	2,320 ¹	+ 47	2.1

¹Total manpower is made up as follows in FY 1989 (FY 1988): Executive Directors, their Alternates, Advisors, and assistants: 193 (192) man-years; staff, including the Economist Program, temporary assistance, and paid overtime: 2,002 (1,972) man-years; technical assistance experts and consultants: 125 (109) man-years. Increased manpower in FY 1989 is attributable primarily to new staff positions (8), more experts and consultants (16), and an anticipated reduction in vacancies (18).

FY 1989 BUDGET BY PROGRAM

1. ACTIVITIES OF THE BOARD OF GOVERNORS

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	1,740	1,708	1,981	+ 273	16.0
Other personnel expenses	875	735	673	- 62	- 8.4
Business travel	1,553	1,746	3,915	+ 2,169	124.2
Other travel	106	88	92	+ 4	4.5
Data processing	290	96	143	+ 47	49.0
Other administrative expenses	1,449	1,534	1,344	- 190	- 12.4
Total	6,013	5,907	8,148	+ 2,241	37.9
B. Number of Paid Man-Years	40	38	38	—	—
C. Selected Indicators of Activity¹					
Annual Meetings					
Number of Participants	11,424	11,535			
Number of trips paid	268	275			
IC/DC and ancillary meetings	17	13			

¹Indicators of activity are for calendar years 1986 and 1987.

This program includes expenses of the Annual Meetings and meetings of joint committees of the Board of Governors, such as the Development Committee and 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 44 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 Meetings will be held in Berlin, there will be a significant increase in cost, mostly because of additional travel expenses for Executive Directors and staff which are incurred when the meeting is held abroad.

The proposed budget for the Interim and Development Committees is based on the assumption that there will be 2 meetings in FY 1989, one to be held in Washington and the other in Berlin just before the Annual Meetings. The budget estimates for the Development Committee Secretariat provide for the costs of the Executive Secretary, a senior advisor, and 2 secretarial assistants; the advisor position as well as 1 secretarial assistant were added during FY 1988.

FY 1989 BUDGET BY PROGRAM

1. ACTIVITIES OF THE BOARD OF GOVERNORS

Supplementary Tables on Sub-Programs

1.1. ANNUAL MEETINGS¹

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Direct costs	365	395	595	+ 200	50.6
Allocated costs of support staff	2,124	1,907	1,909	+ 2	0.1
II. TRAVEL EXPENSES					
Governors	1,424	1,470	1,690	+ 220	15.0
Executive Directors and assistants	—	—	510	+ 510	—
Staff	196	291	1,714	+1,423	489.0
III. OTHER ADMINISTRATIVE EXPENSES					
Data Processing	290	96	143	+ 47	49.0
Other direct costs	794	803	559	- 244	- 30.4
Allocated office expenses of support staff	372	417	451	+ 34	8.2
TOTAL	5,565	5,379	7,571	+2,192	40.8
B. Number of Paid Man-Years	38	35	35	—	—

1.2. INTERIM AND DEVELOPMENT COMMITTEES AND OTHER GROUPS¹

A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES	126	142	150	+ 8	5.6
II. TRAVEL EXPENSES					
Governors	36	65	85	+20	30.8
Executive Directors and assistants	—	—	—	—	—
Staff	3	8	8	—	—
III. OTHER ADMINISTRATIVE EXPENSES	283	313	334	+21	6.7
TOTAL	448	528	577	+49	9.3
B. Number of Paid Man-Years	2	3	3	—	—

¹Costs 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 1989 BUDGET BY PROGRAM

2. ACTIVITIES OF THE EXECUTIVE BOARD

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	11,102	11,676	11,865	+ 189	1.6
Other personnel expenses	6,146	4,952	5,073	+ 121	2.4
Business travel	1,460	1,485	1,600	+ 115	7.7
Other travel	1,639	1,609	1,819	+ 210	13.1
Data processing	276	742	783	+ 41	5.5
Other administrative expenses	3,541	3,712	4,084	+ 372	10.0
Total	24,164	24,176	25,224	+ 1,048	4.3
B. Number of Paid Man-Years¹	239	244	245	+ 1	0.4
C. Selected Indicators of Activity²					
Documents received	4,353	4,195			
Executive Board sessions	235	204			
Hours at sessions	592	483			
Decisions taken	677	614			

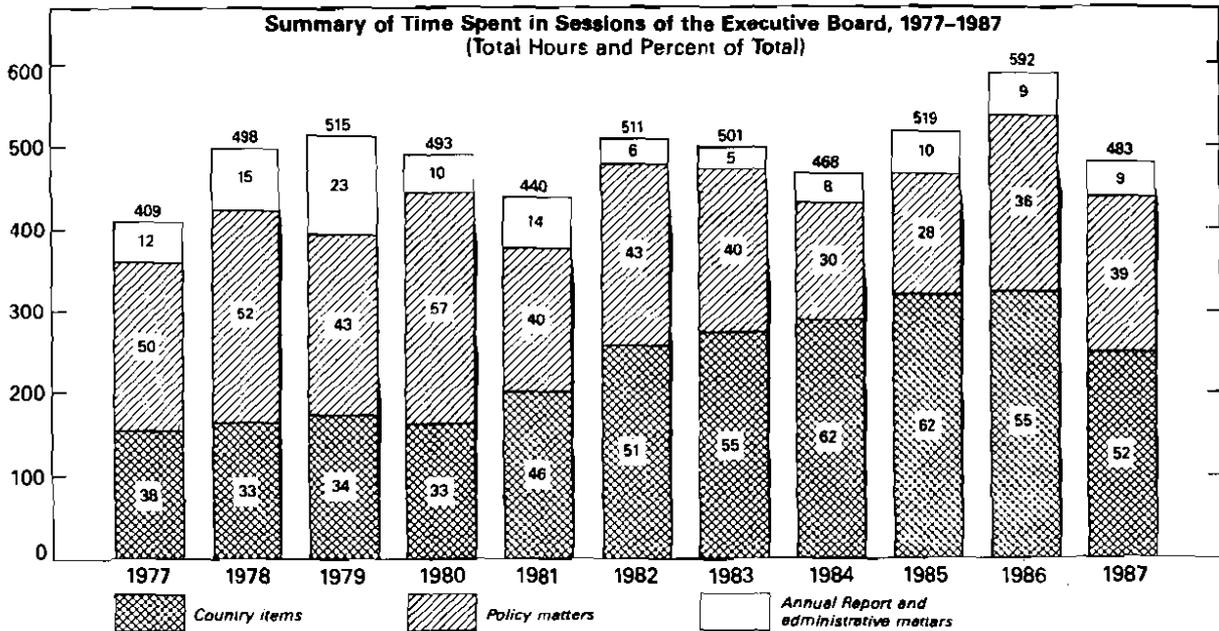
¹Includes time of Executive Directors, their Alternates, Advisors, and assistants (188 man-years in FY 1987, 192 man-years in FY 1988, and 193 man-years in FY 1989).

²Indicators of activity are for calendar years 1986 and 1987.

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 44 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 of Executive Directors to the Annual Meetings and to meetings of the Interim and Development Committees is 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 204 sessions in 1987 (235 in 1986), including formal Board meetings, informal sessions, and sessions as a Committee of the Whole. In aggregate, these sessions amounted to 483 (592) hours, distributed as follows: policy matters 187 (214) hours, country items 251 (327) hours, administrative matters 20 (41) hours, Annual Report 10 (10) hours and miscellaneous 15 (0) hours. In addition, there were 10 (18) 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 13 (8) sessions of the Group of Twenty-Four (Ministers and Deputies). In 1987, Executive Directors made 362 (344) business trips abroad and 38 (34) trips within the United States.

2. ACTIVITIES OF THE EXECUTIVE BOARD



The work load of the Executive Board has grown steadily over the past decade, as shown by the more than 50 percent increase in the number of documents issued for its consideration. Although the number of formal sessions of the Board, and the hours spent in session, have varied on average by less than 10 percent, the peaks and troughs in the work load, in response to

world economic and financial conditions, are illustrated by the shift in the percentage of time devoted to policy and country items.

To deal with this increasing work load and the shifts in priority, the Board has, from time to time, adapted its procedures to make the most efficient use of its limited time. Most recently, with the introduction of the bicyclic consultation

procedure, the Board has begun to reduce the time spent on country consultations, and to emphasize shorter, focussed speaking times. At the same time, in planning its work program, the Board monitors its activities to ensure that all issues of importance continue to receive appropriate attention.

FY 1989 BUDGET BY PROGRAM

3. GENERAL POLICY DEVELOPMENT AND RESEARCH

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	11,624	11,890	12,319	+ 429	3.6
Other personnel expenses	7,983	6,933	6,442	- 491	- 7.1
Business travel	260	528	546	+ 18	3.4
Other travel	991	1,091	1,162	+ 71	6.5
Data processing	1,919	1,851	1,856	+ 5	0.3
Other administrative expenses	2,418	2,548	2,854	+ 306	12.0
Total	25,195	24,841	25,179	+ 338	1.4
B. Number of Paid Man-Years	242	241	249	+ 8	3.3
C. Selected Indicators of Activity¹					
Policy papers for Board discussion	84	85			
Research papers	65	92			

¹Indicators of activity are for calendar years 1986 and 1987.

This program covers the preparation and review of substantive policy related papers, the World Economic Outlook and other periodic reports, and research directed towards 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 1987, the activities related to policy development remained at a high level. Work in the policy area included the production of 85 policy papers (84 in 1986). These papers were augmented by 34 (37) supplements and 2 (2) revisions. Among the policy issues absorbing considerable staff time in 1987 were the development of regulations on the establishment and implementation of the Enhanced Structural Adjustment Facility (ESAF); reform of the Fund's facilities, including the possible establishment of a new external contingent account; principles and procedures for Fund surveillance with a view towards incorporating greater use of indicators in assessing world economic developments; the impact of Fund programs on poverty and income distribution; a comprehensive review of trade issues; and policies on members' overdue obligations, including late payments, ineligibility, and postponement of repurchases. In FY 1989, considerable attention will be focused on (i) follow-up activities arising out of the April 1988 meetings of the Interim and Development Committees, particularly concerning the functioning and improvement of the international monetary system; (ii) a comprehensive review of conditionality; (iii) the on-going re-examination of the conceptual, analytical, and empirical issues underlying the design of Fund-supported adjustment

programs; (iv) the use of Fund resources, including implementation of the ESAF and establishment of access limits for the third year under the original SAF; (v) a comprehensive review and possible reform of the Fund's facilities, including the CFF and EFF; and (vi) the management of the debt situation and issues in trade policies. Other policy issues in connection with the use of Fund resources will include the Fund's liquidity position and financing needs, including a review of the burden sharing decisions, the ninth general review of quotas, and the role of the SDR in the international monetary system.

In CY 1987, the work related to the World Economic Outlook included 14 (14) papers in preparation for 8 (8) sessions of the Executive Board and the Interim Committee. During the year, a total of 49 (49) man-years of staff time, including 18 (19) man-years in the Research Department and 24 (22) man-years in the area departments, the Exchange and Trade Relations Department and the Fiscal Affairs Department, was devoted to this work at an estimated cost, including personnel and other administrative expenses, of \$5.6 million (\$6.0 million in 1986). In FY 1989, the program of work on the World Economic Outlook will be at least as heavy and include research aimed at improving the understanding of the economic interactions between countries and groups of countries and the analyses of conditions of, and requirements for, effective coordination of economic policies of member countries. Other periodic reports include those on balance of payments, commodities, gold, exchange markets, exchange rate charges and related variables, and the financial position of the Fund.

In CY 1987, the work related to research activities included the production of 92 (65) research papers. Some of the more significant subjects studied related to the impact of

FY 1989 BUDGET BY PROGRAM

3. GENERAL POLICY DEVELOPMENT AND RESEARCH

fiscal policies on growth and inflation, tax reform, international capital markets, balance of payments adjustments, export credit developments and prospects, growth-oriented adjustment in developing countries 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, developments in commodity prices, 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 allowing staff to disseminate the results of research studies produced in the Fund. During CY 1987, staff made 74 (54) trips abroad and 78 (62) trips within the United States to attend professional conferences and seminars.

COST OF A POLICY PAPER

A sample survey of the amount of staff time devoted to the preparation of a number of recent policy papers showed that on average, a paper required about 16 months of staff time, including 1½ months of unpaid overtime. The table below gives details on the amount of staff time involved in producing each of these papers. Some of the estimates are approximate and should not be seen as a fully accurate accounting. Also, it should be noted that the estimates are

based only on use of current staff time, thereby excluding factors such as time spent on developing data processing systems that provide continuous support to policy and review exercises. Finally, and more fundamentally, it should be kept in mind that the cost of a paper is very much dependent on the time given for its completion and the volume of resources available.

Title of Paper	Staff Time in Months		
	Paid Time	Unpaid Overtime	Total
Review of the Compensatory Financing Facility (EBS/87/165, Sup. 1)	36.5	1.4	37.9
Ninth General Review of Quotas — Further Consideration of Variables in the Quota Formulas (EB/C Quota/87/3); jointly prepared with Ninth General Review of Quotas — Issues Arising in Connection with the Eighth General Review of Quotas (EB/C Quota/87/4)	26.8	1.4	28.2
International Capital Markets — Developments and Prospects, 1987 (SM/87/194)	20.9	1.6	22.5
Monitoring of Structural Adjustment in Fund-Supported Adjustment Programs (EBS/87/240, EBS/87/254)	15.9	1.0	16.9
Legal Effects of Approval or Nonapproval of Exchange Restrictions by the Fund (EBS/88/13)	9.4	4.4	13.8
Innovations and Institutional Change in the Financial Markets (SM/87/246, Sup. 1)	10.4	1.4	11.8
Commodity Baskets as Indicators of Future Price Trends (SM/87/291)	5.8	0.9	6.7
Review of the Fund's Liquidity Position (EBS/87/176)	5.3	—	5.3
Periodicity and Form of Article IV Consultations (SM/87/30)	2.0	0.4	2.4
Average	14.8	1.4	16.2

FY 1989 BUDGET BY PROGRAM

4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	32,469	33,523	34,702	+ 1,179	3.5
Other personnel expenses	23,158	21,310	19,878	- 1,432	- 6.7
Business travel	7,849	8,450	8,731	+ 281	3.3
Other travel	2,959	3,077	3,298	+ 221	7.2
Data processing	5,608	4,269	3,548	- 721	-16.9
Other administrative expenses	6,307	7,003	7,800	+ 797	11.4
Total	78,350	77,632	77,957	+ 325	0.4
B. Number of Paid Man-Years	659	670	692	+ 22	3.3
C. Selected Indicators of Activity¹					
Consultation missions	142	137	142-144		
Use of resources missions combined with consultation missions above	(48)	(49)	(51-61)		
Additional use of resources missions	93	89	91-111		
New stand-by and SAF arrangements					
Stand-by arrangements	23	11	17-22		
SAF arrangements	9	13	19-23		
Countries using Fund resources	43	33	...		
Papers on country operations²	290	268	296		

¹Indicators of activity are for calendar years 1986, 1987 and 1988.

²Including reports on consultation discussions, recent economic developments, and requests for and reviews of use of Fund resources.

This program covers regular Article IV consultation missions and other country missions; use of the Fund's general resources; country work in connection with the Special Drawing Rights Department, the Special Disbursement Account, the Supplementary Financing Facility Subsidy Account; and the general process of analyzing and keeping abreast of developments in member countries.

There were 137 Article IV consultation missions with member countries in 1987 (143 in 1986). 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. Since 1983, when the Executive Board adopted procedures to increase the frequency of consultations, they have been held with 75–85 percent of members each year. In FY 1989, it is envisaged that regular annual consultations will continue to be held with members having Fund arrangements, members with possible balance of payments difficulties, and also larger countries. This amount will be about 75 percent of the total membership. For the remaining 25 percent of members, a simplified interim consultation procedure (the so-called bicyclic procedure) has been adopted, or a longer cycle (between 18–24 months) will be applied.

In 1987, there were 89 missions (93 in 1986) conducted solely for the discussion of use of Fund resources. Forty-nine (48) Article IV consultation missions (or 36 percent of the total) were also concerned with the use of Fund resources. In addition to these missions, 66 (76) negotiations for the use of Fund resources were held at headquarters. The prospect for FY 1989 is that some additional arrangements may be concluded and that, in all, the number of countries with financial arrangements with the Fund may increase substantially in view of the Enhanced Structural Adjustment Facility (ESAF). In addition, the trend observed in the last few years of a growing complexity in the negotiation process and of more frequent periodic reviews is likely to continue.

In 1987, new stand-by arrangements became effective for 12 (23) member countries, while 20 (22) arrangements expired or were cancelled during the year. Thus, the number of stand-by arrangements in effect at the end of 1987 decreased to 22 (30 at the end of 1986). The number of arrangements under the Extended Fund Facility increased to 2 at the end of 1987 from 1 a year earlier. The Structural Adjustment Facility (SAF), which was established in March 1986, provides loans to low-income developing countries that agree to undertake medium-term structural adjustment programs aimed at overcoming protracted balance of payments problems and fostering economic growth. At the end

FY 1989 BUDGET BY PROGRAM

4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

of 1987, there were 22 (9) SAF arrangements with the Fund in effect. On December 29, 1987, the establishment of the ESAF was announced with objectives and financial conditions similar to those of the SAF. The ESAF is expected to provide resources totaling SDR 6 billion to low-income developing countries.

The total amount committed under the 46 (40) arrangements in effect at the end of 1987 was SDR 12.3 billion (SDR 5.3 billion at the end of 1986), with an undrawn balance of SDR 6.1 billion (SDR 2.9 billion) at the end of the year. The level of new commitments (SDR 3.4 billion) in 1987 contrasted with new commitments of SDR 3.9 billion in 1986. The number of countries that used the Fund's resources in 1987, excluding reserve tranche purchases, was 29 compared with 43 in 1986. Use of the Fund's resources was as follows: 23 (38) member countries made drawings in the credit tranches (most of them under stand-by arrangements), 6 (8) drew under the Compensatory Financing Facility, 2 (1) drew under the Extended Financing Facility, and 18 (9) drew under the Structural Adjustment Facility.

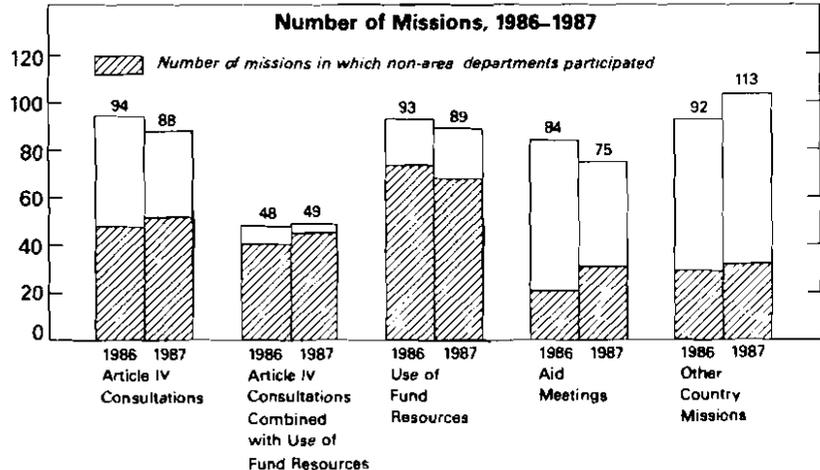
Drawings by country members totaled SDR 3.3 billion of which SAF drawings totaled SDR 0.4 billion, compared with SDR 3.9 billion in 1986, while repurchases amounted to SDR 7.9 billion, as against SDR 5.7 billion a year earlier. Thus, net repurchases were SDR 4.6 billion in 1987 (SDR 1.8 billion in 1986).

The number of Fund resident representative and advisor posts budgeted for FY 1989 is 27, three less than the present ceiling. The planned country assignments of positions are shown on page 93. In FY 1988, it is estimated that resident representatives and advisors will have spent 26.8 man-years in the field at a total cost to the Fund, including salaries, allowances, travel, and other expenses, of \$5.4 million. In FY 1989, it is estimated that there will be 27 man-years in the field at a total cost to the Fund of \$5.6 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.

STAFFING OF COUNTRY MISSIONS

The number of missions and associated staff trips in connection with Article IV consultations, the use of Fund resources and other country matters has over the past five years remained relatively stable at around 400 and 1,300, respectively. Going back further, however, this represents a 25 percent increase over the 1981 level. The rise stems not only from the automatic effects of the growing Fund membership and of the greater frequency of Article IV consultations in recent years, but is also a reflection of the complexity of the problems faced by a large proportion of the membership. The continued uncertain and difficult external environment and balance of payments outlook of many member countries have placed a greater demand on staff time and travel, with an increasing incidence of multiple missions to individual countries.

The staffing of missions has adapted to the new environment to ensure flexibility and effectiveness in the use of constrained staff resources. The approach has been an integrated and flexible one, relying on both area and functional departments to staff country missions. Staff from functional departments participated in about 73 percent of all Article IV and use of Fund resources missions in 1987 (69 percent in 1986). Over half of the non-area department participation was accounted for by staff from the Exchange and Trade Relations Department, and about one third from the Fiscal Affairs Department. The participation of staff from functional departments was concentrated mainly in use of Fund resources (UFR) missions and in UFR mis-



sions combined with consultations, with a presence in 82 percent of such missions in 1987 (81 percent in 1986).

Such an integrated approach (relying on both area and non-area departments in the staffing of missions) has been the standard practice for some time in the Fund. It offers, however, particular advantages in the context of the present more resource-constrained environment. It provides the possibility of flexibly utilizing diverse expertise throughout the Fund, relieving pressures on area departments and on desk economists, most particularly at times of heavy

or conflicting mission schedules. By drawing on specialized knowledge, it further helps to broaden the perspective of the mission's work and approach. At a time of evolving policies, it also contributes to uniform application of Fund policies by transferring experience among departments and by helping to ensure that staff recommendations conform with established policy. At the same time, the area department staff provide the in-depth country knowledge and continuity required for the Fund to assist member countries effectively.

FY 1989 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	15,561	15,215	16,821	+ 1,606	10.6
Other personnel expenses	10,805	10,263	10,280	+ 17	0.2
Business travel	1,422	1,174	1,214	+ 40	3.4
Other travel	3,906	3,975	4,255	+ 280	7.0
Data processing	126	389	434	+ 45	11.6
Other administrative expenses	3,555	3,012	3,601	+ 589	19.6
Total	35,375	34,028	36,605	+ 2,577	7.6
B. Number of Paid Man-Years¹	304	298	315	+ 17	5.7
C. Selected Indicators of Activity					
Man-years of assistance by outside experts	107	96	109	+ 13	13.5
IMF Institute participants trained ²	481	490	514	+ 24	4.9
Participant-weeks of training ³	4,764	5,025	5,005	- 20	- 0.4

¹Includes time of technical assistance experts.

²Indicators of activity are for calendar years 1986, 1987, and 1988.

³Excludes external training program.

This program covers the provision of technical assistance in the central banking, fiscal, balance of payments, and other 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 1987, the Fund provided 140 experts (203 in 1986) to 70 (73) countries and 4 (5) regional organizations. Total assistance amounted to 91 (115) man-years, of which central bank experts provided 71 (92) and fiscal experts 20 (23). It is expected that 109 man-years of assistance will be provided in FY 1989 (83 by central bank experts and 26 by fiscal experts), with up to 10 experts stationed at headquarters to allow greater flexibility in responding to short-term technical assistance needs (see page 3).

There were 65 technical assistance missions by staff in calendar year 1987, compared with 79 in 1986, which were carried out by the Fiscal Affairs, Central Banking, and Legal Departments, in collaboration with other concerned departments. Staff of the Bureau of Statistics undertook 64 visits (69 in 1986) to member countries and regional organizations to provide technical assistance in the various fields of statistics, as well as holding 2 regional seminars (2 in 1986). In addition, 13 (9) 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 1989, in response to requests arising in connection with stand-by and SAF/ESAF programs.

In CY 1987, the IMF Institute, in some cases with the cooperation of other departments, gave 14 courses (13 in

1986) 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 2 (2) seminars at headquarters: 1 on Budgeting and Expenditure Control, and 1 on The Role of the Fund in the International Monetary System. A total of 490 (481) participants attended the Institute programs, or an average of 31 (32) per program. The Institute also conducted 2 (5) external seminars in member countries on Financial Analysis and Programming. The program planned for FY 1989 encompasses 17 courses, including 2 courses which started in FY 1988, and 3 seminars at headquarters for senior officials, and 5 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 6 special appointees were accommodated during the course of FY 1988. In FY 1989, provision will be made for 5 appointees, including 4 continuing from FY 1988.

The change between FY 1988 and FY 1989 in the cost of special services to member countries will result mainly from increases in the number and unit cost of outside experts, which will be partly offset by the elimination of some benefits now provided to IMF Institute participants, such as spouse travel, air freight and book allowances, and some reduction in the activities offered under the social program. The cost to the Fund of an expert man-year is expected to rise from \$93,100 in FY 1988 to \$97,400 in FY 1989. In the IMF Institute, the cost per participant-day is expected to rise from \$355 to \$375 between FY 1988 and FY 1989.

FY 1989 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Supplementary Tables on Sub-Programs

5.1. TECHNICAL ASSISTANCE EXPERTS

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Salaries of staff	1,125	1,343	1,455	+ 112	8.3
Salaries of experts	6,258	5,470	6,670	+ 1,200	21.9
Other personnel expenses of staff	778	792	752	- 40	- 5.1
Other personnel expenses of experts	2,331	2,185	2,468	+ 283	13.0
Subtotal	10,492	9,790	11,345	+ 1,555	15.9
II. TRAVEL					
Travel of staff	153	185	191	+ 6	3.2
Travel of experts	1,437	1,272	1,470	+ 198	15.6
Subtotal	1,590	1,457	1,661	+ 204	14.0
III. OTHER ADMINISTRATIVE EXPENSES					
Data Processing	31	115	46	- 69	- 60.0
Other support costs	284	340	377	+ 37	10.9
Subtotal	315	455	423	- 32	- 7.0
NET TOTAL COSTS TO FUND	12,397	11,702	13,429	+ 1,727	14.8
Additional costs contributed by host countries ¹	1,540	1,580	1,830	+ 250	15.8
B. Number of Paid Man-Years	130	123	137	+ 14	11.4

5.2. STAFF TECHNICAL ASSISTANCE²

A. Costs (in thousands of U.S. dollars)					
Salaries	3,805	4,072	4,239	+ 167	4.1
Other personnel expenses	3,589	3,450	3,316	- 134	- 3.9
Business travel	1,143	912	943	+ 31	3.4
Other travel	592	558	621	+ 63	11.3
Data processing	23	—	—	—	—
Other administrative expenses	763	829	936	+ 107	12.9
TOTAL	9,915	9,821	10,055	+ 234	2.4
B. Number of Paid Man-Years	76	78	81	+ 3	3.8

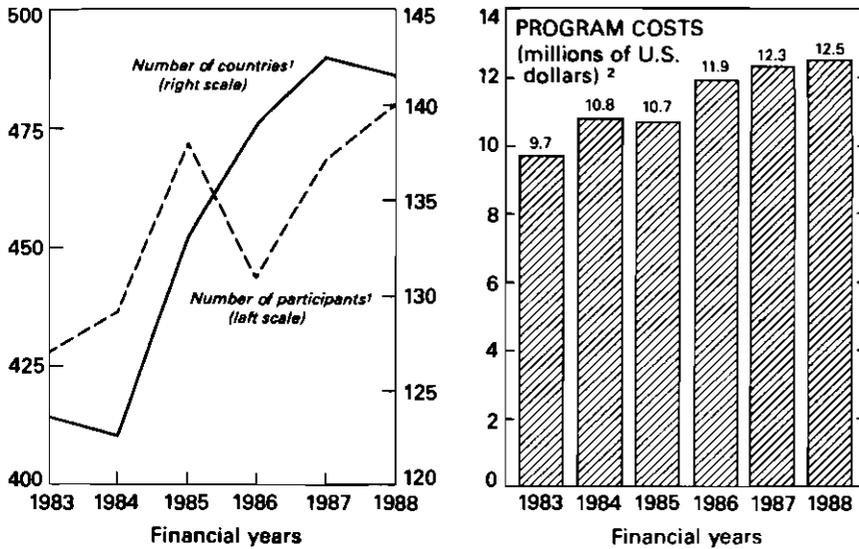
¹Includes cash contributions and estimated value of free housing and local transportation facilities.

²Includes part of the cost of resident representatives and advisors.

FY 1989 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

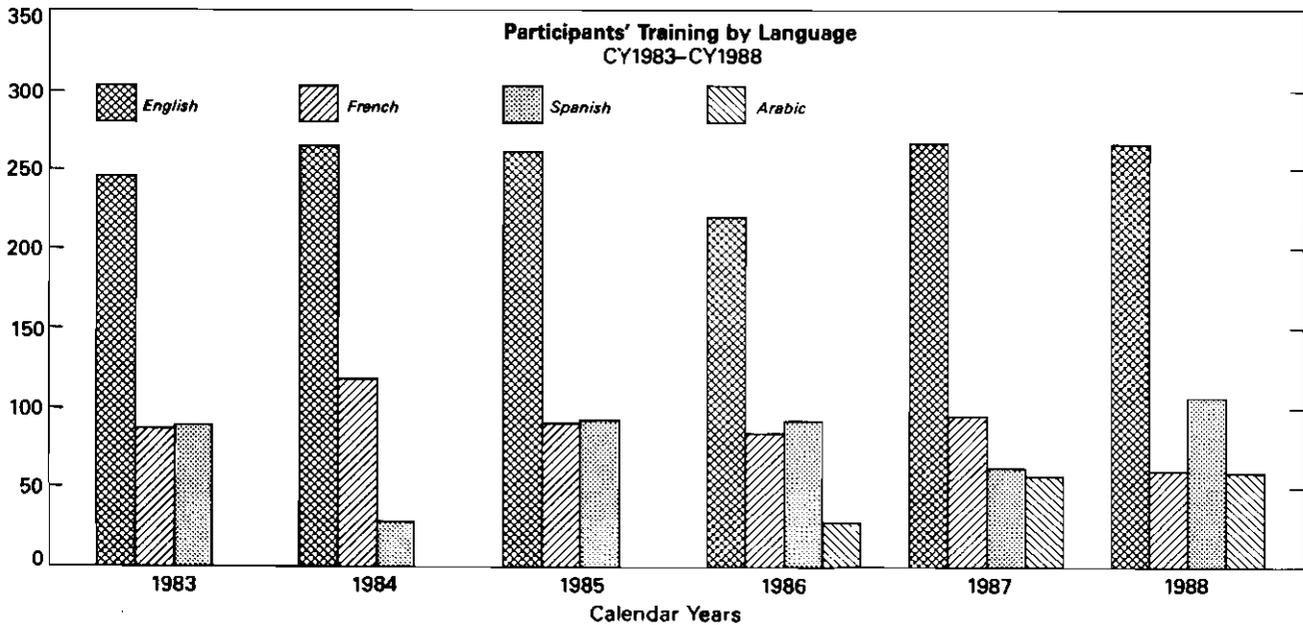
IMF Institute Training Program
Participation Levels and Program Costs
FY 1983-FY 1988



The number of participants attending the IMF Institute and the number of countries sponsoring them have continued to rise steadily in the past five years as a result of the expanded curriculum and the increase in the number of courses. In this period, two courses in Arabic, one on Techniques of Economic Analysis and one on Financial Analysis and Policy, and a new course on Money and Banking Statistics were introduced. The courses in Arabic have permitted an important expansion in training assistance to Arabic-speaking member countries.

Costs (in nominal terms) have grown at a slower pace reflecting the Institute's policy of containment while still maintaining an adequate level of benefits and facilities to the participants. Efforts to contain costs in FY1989 will involve the reduction of some nonessential benefits for participants such as spouse travel and a minor curtailment of social programs. The savings anticipated will be largely offset by the proposed increase in the living allowance paid to participants.

Participants' Training by Language
CY1983-CY1988



¹ The figures shown are for the calendar years ending in each of the financial years.

² Excluding capital expenses for the renovation of Concordia apartments and remodeling of lecture room facilities.

FY 1989 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Supplementary Tables on Sub-Programs

5.3. IMF INSTITUTE TRAINING PROGRAM

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Salaries of staff	4,373	4,329	4,457	+ 128	3.0
Other personnel expenses of staff	3,072	2,676	2,435	- 241	- 9.0
Living allowances and other personnel expenses of participants	1,035	1,160	1,310	+ 150	12.9
Subtotal	8,480	8,165	8,202	+ 37	0.5
II. TRAVEL EXPENSES					
Travel of staff	568	524	564	+ 40	7.6
Travel of participants	1,437	1,700	1,680	- 20	- 1.2
Subtotal	2,005	2,224	2,244	+ 20	0.9
III. OTHER ADMINISTRATIVE EXPENSES					
Data Processing	72	274	388	+ 114	41.6
Expenses attributable to staff	1,045	1,103	1,247	+ 144	13.1
Expenses attributable to participants	1,461 ¹	739	1,040	+ 301	40.7
Subtotal	2,578	2,116	2,675	+ 559	26.4
TOTAL	13,063	12,505	13,121	+ 616	4.9
B. Number of Paid Man-Years	98	97	97	—	—

¹Includes estimated cost of renovating the Concordia apartments and a new lecture room. These expenses in FY 1988 and FY 1989 are included in the capital budget.

FY 1989 BUDGET BY PROGRAM

6. STATISTICAL SERVICES

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	5,565	5,014	5,198	+ 184	3.7
Other personnel expenses	3,464	3,004	2,750	- 254	- 8.5
Business travel	—	15	15	—	—
Other travel	653	432	451	+ 19	4.4
Data processing	2,476	2,380	2,474	+ 94	3.9
Other administrative expenses	2,112	2,238	2,294	+ 56	2.5
Total	14,270	13,083	13,182	+ 99	0.8
B. Number of Paid Man-Years	113	113	114	+ 1	0.9
C. Selected Indicators of Activity¹					
Statistical time series maintained (thousand)	900	940	1,000	+ 60	6.4
Countries and entities for which data are maintained	189	189	190	+ 1	0.5
Countries with an IFS page	137	137	140	+ 3	2.2
Statistical volumes published	43	43	43	—	—

¹Indicators of activity are for calendar years 1986, 1987 and 1988.

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, work continued on the development of a comprehensive framework of banking and external debt statistics, and the Working Party on the statistical discrepancy in global current account balances issued its final report during CY 1987. The number of time series maintained in the FY 1987 Economic Information System (EIS), covering statistics on 189 countries and territories (189 in 1986), increased to 940,000 series, from 900,000 in 1986. In FY 1989 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 1989 will also include increased collaboration with area and other departments in the development of country, regional and global data as part of an effort to

reduce duplicative reporting and data maintenance. In conjunction with other participating international organizations, the Bureau of Statistics will continue its work on the revision of the United Nations' *A System of National Accounts (SNA)*. The Fund is also scheduled to host a meeting of experts in the field of financial flows and balances in September, 1988.

Included in the statistical program are four statistical publications: *International Financial Statistics*, *Direction of Trade Statistics*, *Balance of Payments Statistics*, and *Government Finance Statistics*. These 4 publications, which are based on data held in the EIS, are also available for sale in electronic form via computer tapes. In FY 1988, a report, *External Debt: Definition, Statistical Coverage and Methodology* was jointly published, which was prepared by an international group on external debt statistics consisting of staff members from the Fund, World Bank, BIS, and OECD. In FY 1989, it is planned to publish 2 supplements to *International Financial Statistics*, as well as the usual 4 periodic statistical publications mentioned above.

FY 1989 BUDGET BY PROGRAM

6. STATISTICAL SERVICES

Supplementary Tables on Sub-Programs

6.1. DEVELOPMENT AND COLLECTION OF STATISTICAL DATA

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	4,525	3,909	4,036	+ 127	3.2
Other personnel Expenses	2,791	2,369	2,165	- 204	- 8.6
Business travel	—	15	15	—	—
Other travel	560	329	345	+ 16	4.9
Data processing	2,060	1,721	1,264	- 457	- 26.6
Other administrative expenses	778	804	904	+ 100	12.4
Total	10,714	9,147	8,729	- 418	- 4.6
B. Number of Paid Man-Years	90	87	89	+ 2	2.3

6.2 STATISTICAL PUBLICATIONS

A. Costs (in thousands of U.S. dollars)					
Personnel expenses	1,713	1,740	1,747	+ 7	0.4
Contractual printing	1,400	1,376	1,338	- 38	- 2.8
Postage	408	488	494	+ 6	1.2
Data processing	416	659	1,210	+ 551	83.6
Other costs	311	375	410	+ 35	9.3
Total Gross Cost	4,248	4,638	5,199	+ 561	12.1
Less Sales Income	- 692	- 702	- 746	- 44	6.3
TOTAL NET COST	3,556	3,936	4,453	+ 517	13.1
B. Number of Paid Man-Years	23	26	25	- 1	- 3.8

FURTHER ANALYSIS BY INDIVIDUAL PUBLICATIONS

Costs (in thousands of U.S. dollars)					
International Financial Statistics	2,625	2,762	2,682	- 80	- 2.9
Direction of Trade Statistics	477	524	546	+ 22	4.2
Balance of Payments Statistics	410	496	916	+ 420	84.7
Government Finance Statistics	736	856	1,055	+ 199	23.2
Total Gross Cost	4,248	4,638	5,199	+ 561	12.1
Sales Income (in thousands of U.S. dollars)					
International Financial Statistics	- 581	- 600	- 625	- 25	4.2
Direction of Trade Statistics	- 45	- 43	- 57	- 14	32.6
Balance of Payments Statistics	- 40	- 43	- 47	- 4	9.3
Government Finance Statistics	- 26	- 16	- 17	- 1	6.3
Total Income	- 692	- 702	- 746	- 44	6.3
TOTAL NET COST	3,556	3,936	4,453	+ 517	13.1

FY 1989 BUDGET BY PROGRAM

7. INFORMATION AND EXTERNAL RELATIONS

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	6,887	7,153	7,325	+ 172	2.4
Other personnel expenses	4,680	4,124	3,803	- 321	- 7.8
Business travel	684	804	833	+ 29	3.6
Other travel	664	708	719	+ 11	1.6
Data processing	556	338	511	+ 173	51.2
Other administrative expenses	3,673	3,482	3,989	+ 507	14.6
Total	17,144	16,609	17,180	+ 571	3.4
B. Number of Paid Man-Years	149	145	143	- 2	- 1.4
C. Selected Indicators of Activity¹					
Information services					
Enquiries from general public	37,650	51,750	60,000	+ 8,250	15.9
Visitors under visitors program	9,000	29,500	35,000	+ 5,500	18.6
Press seminars, conferences, briefings	53	59	70	+ 11	18.6
Non-statistical publications					
Pages edited and published	12,635	12,096	12,716	+ 620	5.1
Volumes/issues published	222	224	260	+ 36	16.1
Meetings of other international organizations attended by:					
Headquarters staff	96	112	115	+ 3	2.7
Paris and Geneva staff	303	332	348	+ 16	4.8
Fund-Bank mission collaboration					
Bank missions including Fund staff	17	21	22	+ 1	4.8
Fund missions including Bank staff	15	7	10	+ 3	42.9
Joint Fund-Bank missions	6	1	3	+ 2	200.0

¹Indicators of activity are for calendar years 1986, 1987 and 1988.

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 periodic publications, the *IMF Survey*, *Finance & Development*, and *Staff Papers*, which describe and record Fund activities and its research efforts. A third component are books on matters of concern to the Fund and various miscellaneous publications, such as reprints of *Articles of Agreement*, revised editions of *By-Laws, Rules and Regulations*, a series, the *World Economic and Financial Surveys*

(*WEFS*), comprising topical staff studies of a periodic nature, and a series of *Occasional Papers*, of which seven were published in 1987.

Included in the *WEFS* series were the 1987 *World Economic Outlook* and its supplement, studies on primary commodities, export credits, debt rescheduling and international capital markets. Books published in 1987 include *Balance of Payments Adjustments, 1945-86*; *The IMF Experience* and three seminar volumes, *Growth-Oriented Adjustment Programs*; *External Debt, Savings, and Growth in Latin America*, and *Adjustment Policies and Development Strategies in the Arab World*. Publications planned for FY 1989 include a study of value-added taxation, a fourth volume of *The Fund Agreements in the Courts*; a study on South Pacific Island economies, and another on central banking in developing countries. Also due for release are additional seminar volumes; six or seven papers in the *WEFS* series and an equal number of *Occasional Papers*, including ones on developing forward exchange markets, improving the quality of government expenditures, and Fund programs and poverty.

7. INFORMATION AND EXTERNAL RELATIONS

In 1987, the External Relations Department organized 59 press conferences and briefings (53 in 1986), and produced 98 (95) press releases along with 121 (104) short seminars at headquarters for groups of visitors. In addition to the 10 (8) information missions conducted in 1987 at which 850 (650) journalists were contacted, one overseas seminar (United Arab Emirates) was organized for nonofficials. In FY 1989, in accordance with the high priority that the Managing Director has placed on improving the understanding of the Fund's operations, further intensification of external relations activities is planned. In enhancing information and external relations activities, emphasis will be placed on expanding contacts with the United Nations and affiliated non-governmental organizations through an expanded role of the Fund's UN Representative and his staff. A concerted effort will also be made to widen media coverage in developing countries, particularly those in Africa, where, through lack of resources, little effort has been expended in the past. Supporting these new initiatives are the traditional programs, including the press seminar series, of which 8 are scheduled for FY 1989 (including 3 seminars for editorial writers and senior correspondents in the United States, Europe and a developing country and 5 regional seminars), background briefing sessions with senior staff for the press, information missions (5 planned), and two seminars for nonofficials in Hamburg and Kuala Lumpur.

Close contact is maintained with the World Bank in connection with this program. As part of this activity, Fund staff attended 39 Bank Board Meetings involving 52 agenda items and participated in 21 Bank missions in calendar year

1987 (17 in 1986), and Bank staff attended 78 Fund Board meetings involving 117 agenda items and participated in 7 (15) Fund missions. In FY 1989, 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 1987, 112 (96) 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 168 (180) meetings of international organizations, including the OECD, the EC, the BIS, and the UNDP, and prepared 134 (107) reports. In FY 1989, attention to debt problems, aid matters, finance and trade issues, along with work on G-10 Secretariat matters, recruitment and technical issues 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, and the UNDP. In calendar year 1987, the staff in Geneva attended 164 (123) meetings and prepared 128 (125) reports dealing mainly with GATT and UNCTAD activities. In FY 1989, GATT activities are expected to intensify as full trade negotiations develop under the Uruguay Round. UNCTAD and ILO will also require enhanced coordination as these two institutions become increasingly active in the areas of adjustment, compensatory financing, debt, commodities, structural change and employment.

FY 1989 BUDGET BY PROGRAM

7. INFORMATION AND EXTERNAL RELATIONS

Supplementary Tables on Sub-Programs

7.1. NON-STATISTICAL PUBLICATIONS

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Personnel expenses	4,616	4,502	4,393	- 109	- 2.4
Contractual printing	1,526	1,467	2,342	+ 875	59.6
Postage	786	864	938	+ 74	8.6
Data processing	440	221	358	+ 137	62.0
Other costs	1,277	1,093	1,185	+ 92	8.4
Total Gross Cost	8,645	8,147	9,216	+1,069	13.1
Less Sales Income	-747	-896	-1,594	- 698	77.9
TOTAL NET COST	7,898	7,251	7,622	+ 371	5.1
B. Number of Paid Man-Years	69	67	65	- 2	- 3.0

FURTHER ANALYSIS BY INDIVIDUAL PUBLICATION

Costs (in thousands of U.S. dollars)					
Annual Report of the Executive Board	838	708	728	+ 20	2.8
Annual Report on Exchange Arrangements and Exchange Restrictions	331	322	331	+ 9	2.8
Staff Papers	271	346	355	+ 9	2.6
IMF Survey	2,169	2,104	2,010	- 94	- 4.5
Finance & Development ¹	790	919	880	- 39	- 4.2
Other publications ²	4,246	3,748	4,912	+1,164	31.1
Total Gross Cost	8,645	8,147	9,216	+1,069	13.1
Sales Income (in thousands of U.S. dollars)					
Annual Report on Exchange Arrangements and Exchange Restrictions	- 7	- 33	- 35	- 2	6.1
Staff Papers	- 33	- 35	- 37	- 2	5.7
IMF Survey	- 54	- 43	- 45	- 2	4.7
Other publications ²	- 653	- 785	-1,477	- 692	88.2
Total Income	- 747	- 896	-1,594	- 698	77.9
TOTAL NET COST	7,898	7,251	7,622	+ 371	5.1

¹Joint publication with the World Bank. Only the Fund's costs are shown.

²Including *Summary Proceedings, Selected Decisions of the IMF, Articles of Agreement, By-Laws, Rules and Regulations, IMF Directory, Fund History, World Economy series, including WEO, proceedings of the Seminar Series, and various miscellaneous items.*

FY 1989 BUDGET BY PROGRAM

7. INFORMATION AND EXTERNAL RELATIONS

Supplementary Tables on Sub-Programs

7.2. EXTERNAL RELATIONS

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	2,536	2,751	2,820	+ 69	2.5
Other personnel expenses	1,718	1,555	1,454	- 101	- 6.5
Business travel	464	620	643	+ 23	3.7
Other travel	159	167	178	+ 11	6.6
Data processing	6	7	37	+ 30	428.6
Other administrative expenses	653	728	815	+ 87	12.0
Total	5,536	5,828	5,947	+119	2.0
B. Number of Paid Man-Years	45	45	45	—	—

7.3. OTHER INFORMATION SERVICES¹

A. Costs (in thousands of U.S. dollars)					
Salaries	1,613	1,571	1,623	+ 52	3.3
Other personnel expenses	1,084	897	839	- 58	- 6.5
Business travel	192	171	177	+ 6	3.5
Other travel	268	293	284	- 9	- 3.1
Data processing	110	110	116	+ 6	5.5
Other administrative expenses	443	488	572	+ 84	17.2
Total	3,710	3,530	3,611	+ 81	2.3
B. Number of Paid Man-Years	35	33	33	—	—

¹ Press conferences, press releases, press briefings, speeches, lectures, and seminars.

FY 1989 BUDGET BY PROGRAM

8. GENERAL SUPPORT SERVICES

	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	17,474	19,782	19,578	- 204	- 1.0
Other personnel expenses	10,609	9,919	8,842	- 1,077	- 10.9
Business travel	321	277	287	+ 10	3.6
Other travel	1,169	1,231	1,294	+ 63	5.1
Data processing	6,315	7,195	6,641	- 554	- 7.7
Other administrative expenses	10,743	12,080	7,113	- 4,967	- 41.1
Total	46,631	50,484	43,755	- 6,729	- 13.3
B. Number of Paid Man-Years	485	524	524	—	—
C. Selected Indicators of Activity¹					
Staff recruited	742	820	850	+ 30	3.7
Staff enrolled in training courses	2,279	2,072	2,100	+ 28	1.4
EDP workstations	2,170	2,560	2,810 ²	+ 250	9.8
Travel authorizations processed	4,810	4,665	4,735	+ 70	1.5
Purchase orders written	2,580	2,800	3,000	+ 200	7.1
Pieces of mail handled (thousand)	1,519	1,781	2,000	+ 219	12.3
Cables processed (thousands)	159	170	180	+ 10	5.9
Books and periodicals loaned	52,259	52,700	55,000	+ 2,300	4.4
Words translated (thousands)	10,016	10,747	11,875	+ 1,128	10.5

¹Indicators of activity are for calendar years 1986, 1987 and 1988.

²Includes 1,450 microcomputers, 830 terminals, and 530 word processors.

This program includes 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 1987, partly in response to such special factors as the appeals of job grading decisions, the high level of early retirements (with the consequential additional recruiting effort), the construction of the Data Center and preparations for the expansion of Fund-leased space at International Square. Major projects during the year included reviews of a number of staff benefits and travel-related issues, the revision of several General Administrative Orders, the selection of a new Medical Benefits Plan administrator, the introduction of a capital budget, work for the Joint Committee on Staff Compensation, the revision of the Procurement and Property Manual, the introduction of the on-line catalogue in the Joint Library, and the preparation of 46 audit reports along with extensive follow-up on previous internal and external audit reports. The Fund-wide increase in work load was reflected in a 17 percent increase in the volume of mail handled and a 7 percent increase in both cables processed and words translated.

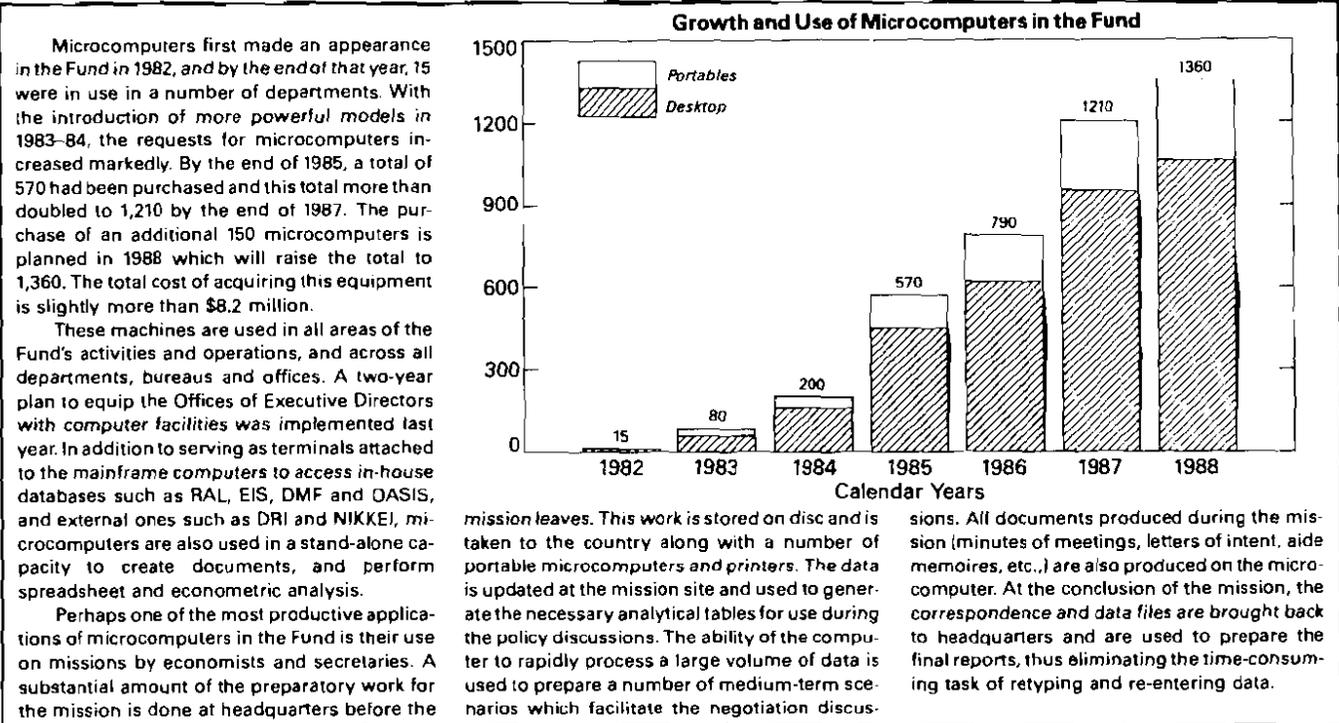
In the area of data processing, four system applications were put into initial operation in 1987, including the economist's workstation (EWS), the cable management system, the budget and procurement system and an office system for the Offices of Executive Directors; some development work on these systems is continuing. In addition, improvements were undertaken in the areas of economists' applications (EIS and WEO systems), administrative and financial applications, and document management.

In FY 1989, the volume of general support services is expected to continue to expand. Major tasks will include implementation of the recommendations emanating from the Joint Committee on Compensation and the review of the Staff Retirement Plan, reviewing the existing system of benefits and allowances for technical assistance experts and reviewing the Workers' Compensation policy. Work will continue on the revision of several GAOs, as well as the review of other policies. The possible creation of an Administrative Tribunal will require the attention of senior staff, while new initiatives are planned in the career development area. The relocation of the Joint Library to International Square, followed by the reconstruction of the vacated area on the Concourse and Red levels and the relocation of staff to those areas will be the primary focus of the building alterations plan in FY 1989. A reference center will be established in the headquarters building when the Joint Library moves, and it is planned to re-introduce evening and

8. GENERAL SUPPORT SERVICES

weekend hours for the library at the International Square site. Studies are planned of the Fund's printing and graphics services, a number of existing and proposed computer operations and building security. Work in the budget field will focus on enhancing the Fund-wide work load indicators and integrating these with improved resource allocation and the development of a strategic planning function. In the communications area, the volume of Fund correspondence (particularly the use of facsimile transmission, which more than doubled in CY 1987) is expected to continue to increase. Demand from departments and from Executive Directors' offices for translation and interpretation services is estimated to increase considerably, but measures, initiated in CY 1987 to streamline procedures and increase productivity, will be intensified. The audit plan will continue in FY 1989 to focus on administrative audits, systems development reviews and financial audits, with increasing

efforts devoted to the follow-up work on audit recommendations. In the data processing area, the completion of a number of development projects will allow for an overall reduction of 4.9 percent in the FY 1989 EDP budget; however, development will continue on a variety of projects including the first stage of a travel and transportation management information system. The remaining two departments will receive up-to-date microcomputer-based word processing facilities and the second stage of an integrated computing facilities system for the Offices of the Executive Directors will be completed. The incoming traffic portion of the cable room system will also be implemented. Developments in the administrative area will focus on the Administrative Officers' workstation project, the property administration system, and the administrative expenditures system.



FY 1989 BUDGET BY PROGRAM

8. GENERAL SUPPORT SERVICES

INFORMATION MANAGEMENT IN THE FUND: THE JOINT LIBRARY

Beginning with an agreement in February 1947 between the Fund and the World Bank to share a library to support their mutual subject interests, the Joint Fund-Bank Library has become one of the leading economics and development libraries in the world. As a central access point to external information, the Library provides Fund and Bank researchers with published statistics, development and planning data, scholarly research and world opinion, and news as reflected in over 5,000 journals and newspapers. To keep pace with the explosion of external information, the Joint Library has adopted a policy of automating its operations.

Automation was first introduced in the Joint Library in 1982, using a system called JOLIS. In the intervening years, most library functions and tools have been successfully automated, and library productivity has increased. In 1987, the automation of the Joint Library's activities most used by researchers was completed: a book charging system, and a public access catalog. The public access catalog, called JOLIS ONLINE, employs easy-to-use software that makes searching for information both faster and more effective than using the old card catalog. Chart 1 shows the growth of selected Joint Library activities since automation was introduced.

JOLIS also links the smaller libraries in the Fund and Bank that meet the specialized information needs unique to each institution. These libraries operate as a network, coordinated by the Joint Library, and the materials held by any of them can be located by searching JOLIS ONLINE. Automation has enhanced the usefulness of these libraries; Chart 2 illustrates the level of activities in the network libraries, and the variety of information being sought by Fund and Bank staff.

Automation will also play a critical role in providing ready access to the Joint Library when it relocates to International Square. JOLIS ONLINE terminals in a Joint Library Reference Center at headquarters will allow staff to conveniently search the library catalog and bibliography database. Plans for permitting remote access to JOLIS ONLINE are also underway, so that staff will be able to search for library resources from their individual workstations.

The beneficial impact of automation in the Joint Library can be seen in the ability of the Library to offer enhanced services, perform activities which would be impossible without automation, and accomplish an increased volume of activity without a corresponding increase in staffing levels.

Chart 1
Growth in Selected Joint Library Activities, 1981-1987

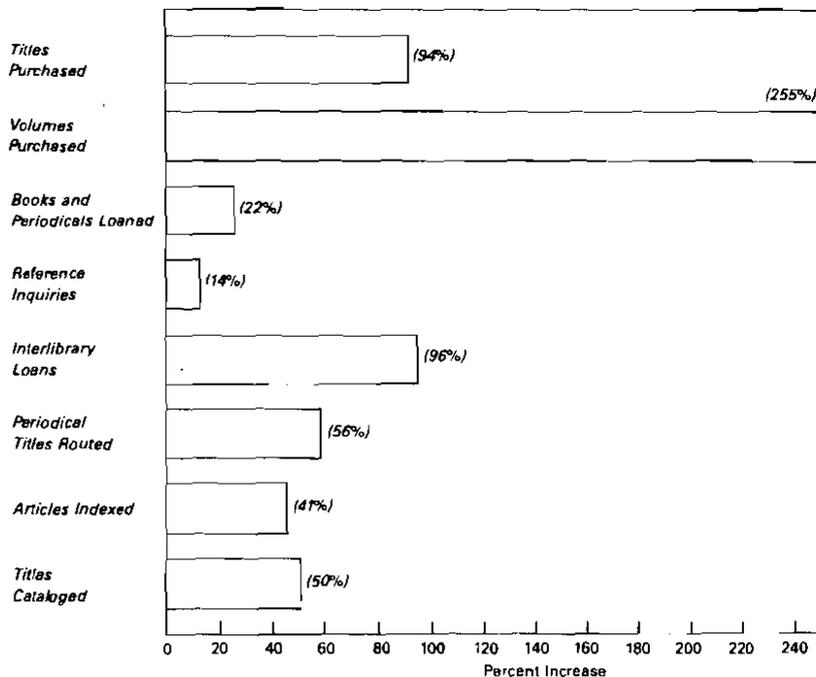
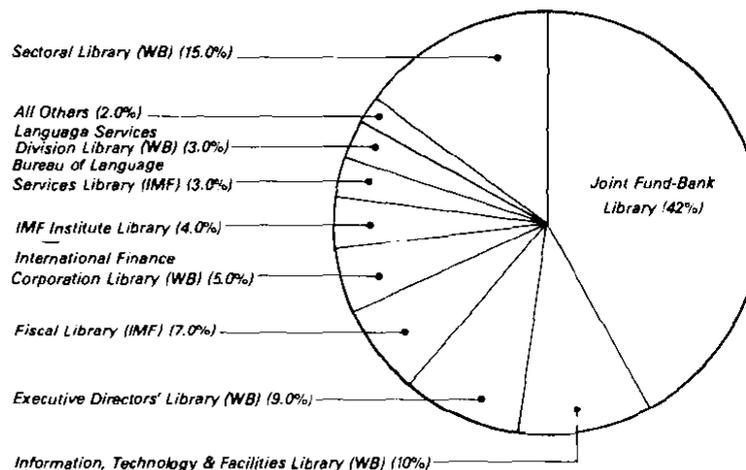


Chart 2
Distribution of Network Library Activities¹ in 1987



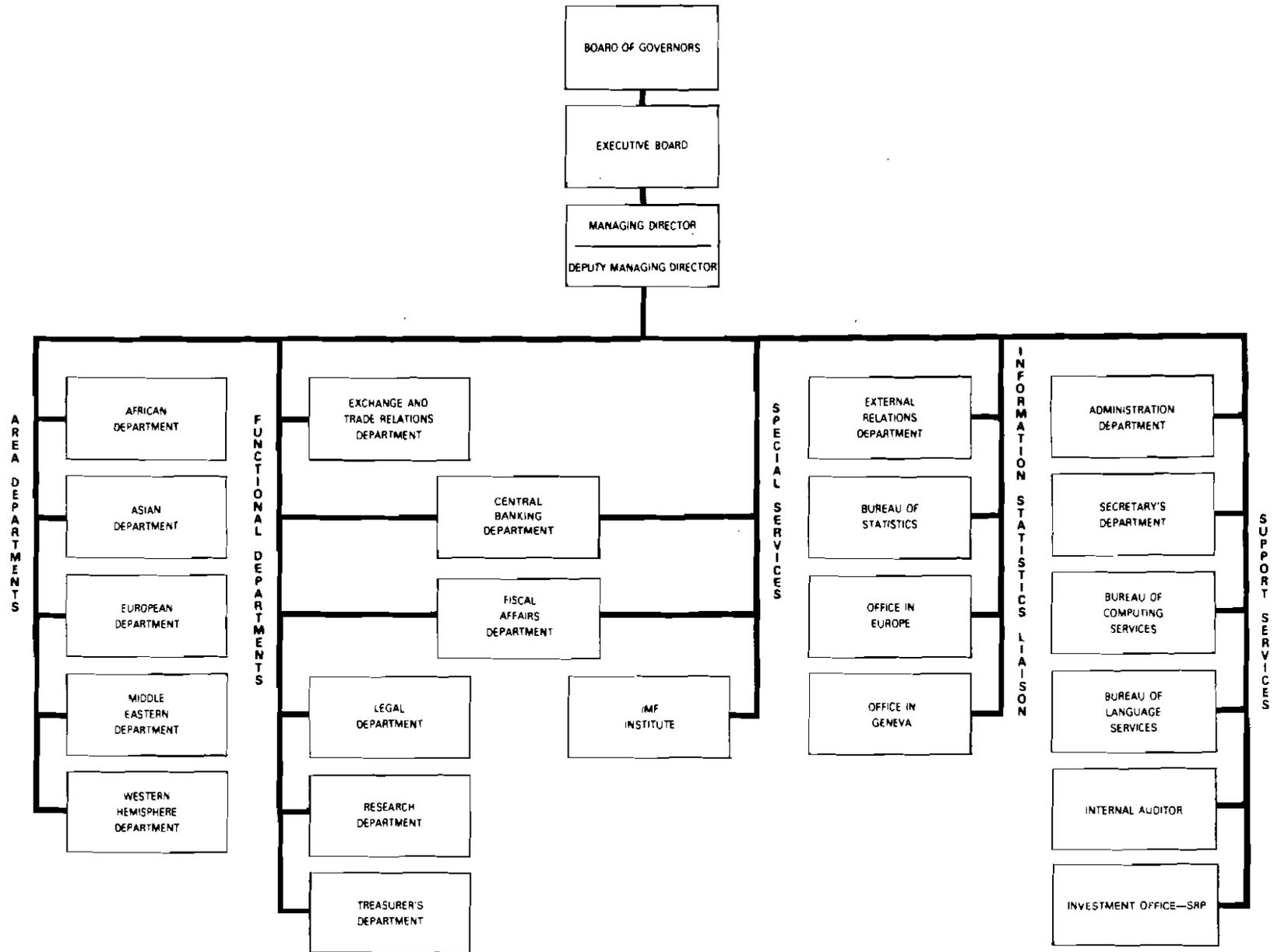
¹Activities include reference inquiries, database searches, books and periodicals loaned, and interlibrary loans.

Administrative and Budget for FY 1989

BUDGET BY UNIT OF ORGANIZATION

INTERNATIONAL MONETARY FUND

CHART OF ORGANIZATION



FY 1989 BUDGET BY UNIT OF ORGANIZATION

ESTIMATED COST OF EACH UNIT OF ORGANIZATION¹

(In thousands of U.S. dollars)

Unit of Organization	FY 1987 Actual Expenses	FY 1988 ² Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
Board of Governors ³	3,006	3,160	5,299	+ 2,139	67.7
Executive Board	20,482	20,394	21,456	+ 1,062	5.2
Management	1,561	1,922	1,778	- 144	- 7.5
Area Departments					
African Department	18,063	19,231	19,071	- 160	- 0.8
Asian Department	9,645	9,709	9,926	+ 217	2.2
European Department	10,004	10,132	10,199	+ 67	0.7
Middle Eastern Department	6,255	6,126	6,286	+ 160	2.6
Western Hemisphere Department	13,866	13,176	13,385	+ 209	1.6
Subtotal	57,833	58,374	58,867	+ 493	0.8
Functional & Special Service Departments					
Central Banking Department	10,707	9,714	10,774	+ 1,060	10.9
Exchange & Trade Relations Department	11,233	10,898	11,199	+ 301	2.8
Fiscal Affairs Department	12,329	12,408	13,302	+ 894	7.2
IMF Institute ³	10,666	10,347	10,953	+ 606	5.9
Legal Department	3,659	3,558	3,573	+ 15	0.4
Research Department	10,935	10,088	9,934	- 154	- 1.5
Treasurer's Department	15,652	14,650	14,317	- 333	- 2.3
Subtotal	75,181	71,663	74,052	+ 2,389	3.3
Information, Statistics & Liaison					
External Relations Department ³	8,026	7,884	8,052	+ 168	2.1
Bureau of Statistics ³	15,789	16,051	15,665	- 386	- 2.4
Office in Europe	2,198	2,514	2,564	+ 50	2.0
Office in Geneva	985	1,113	1,097	- 16	- 0.9
Special Representative to UN ⁴	315	—	—	—	—
Subtotal	27,313	27,562	27,378	- 184	- 0.1
Support Services					
Administration Department ³	21,056	20,362	20,755	+ 393	1.9
Secretary's Department ³	10,387	9,702	9,885	+ 183	1.9
Bureau of Computing Services ³	14,598	17,600	16,844	- 756	- 4.3
Bureau of Language Services	9,414	8,906	9,240	+ 334	3.8
Internal Auditor	1,264	1,292	1,333	+ 41	3.2
Investment Office—SRP	5,047	5,823	343	- 5,480	-94.1
Subtotal	61,766	63,685	58,400	- 5,285	- 8.3
Total	247,142	246,760	247,230	470	0.2

¹The 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.

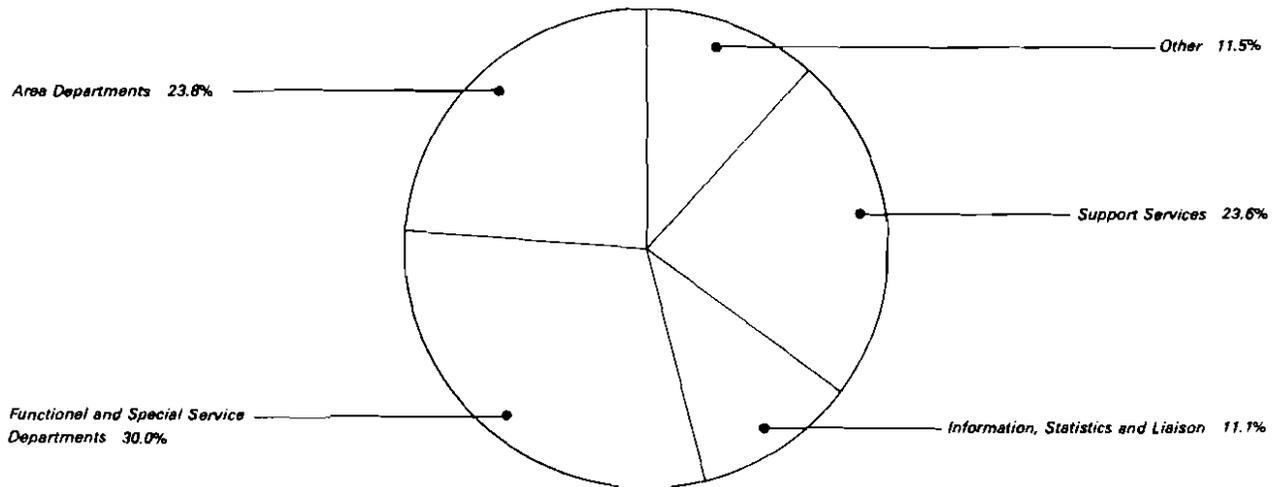
²Effective May 1, 1987, mainframe overhead charges are now allocated to BCS to reflect the decision made by ECCS to adopt a revised chargeback method for mainframe computer costs.

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

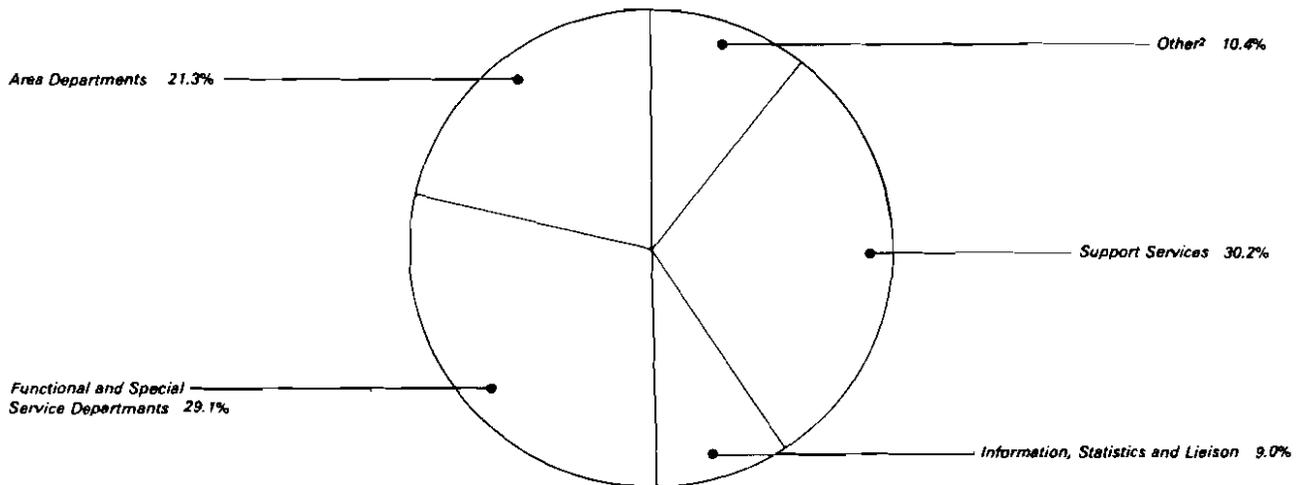
⁴The Office of the Special Representative to the United Nations was transferred to the External Relations Department, effective May 1, 1987.

**PERCENTAGE DISTRIBUTION OF ADMINISTRATIVE BUDGET FOR FY 1989
BY UNIT OF ORGANIZATION**

**ESTIMATED COST
(\$247.2 million)**



**EFFECTIVE MANPOWER¹
(2,320)**



¹Includes Executive Board (excluded from table on page 47).

²Includes Executive Board, Management, unallocated manpower reserved for sick, maternity and sabbatical leave, and five new unallocated positions.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

PERSONNEL CEILINGS OF DEPARTMENTS, BUREAUS & OFFICES

Unit of Organization	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades			Total		Grades			Total
	B1-B5	A9-A15	A1-A8			B1-B5	A9-A15	A1-A8	
Managing Director	2	—	2	4	—	2	—	2	4
Deputy Managing Director	1	—	2	3	—	1	—	2	3
Subtotal	3	—	4	7	—	3	—	4	7
Area Departments									
African Department	21	67	40	128	—	21	67	40	128
Asian Department	13	30	21	64	+1	13	31	21	65
European Department	14	41	28	83	+1	14	42	28	84
Middle Eastern Department	11	19	14	44	—	10	20	14	44
Western Hemisphere Department	18	55	33	106	+1	18	56	33	107
Subtotal	77	212	136	425	+3	76	216	136	428
Functional & Special Service Departments									
Central Banking Department Exchange & Trade Relations Department	8	8	8.5	24.5	+2	8	9	9.5	26.5
Fiscal Affairs Department	15	45	33	93	+2	16	46	33	95
IMF Institute	15	45	21.5	81.5	+1	15	46	21.5	82.5
Legal Department	11	20	32.5	63.5	—	11	20	32.5	63.5
Research Department	8	11	15	34	+1	7	13	15	35
Treasurer's Department	13	52	22	87	+2	14	53	22	89
Subtotal	11	68	54	133	+1	11	68	55	134
Subtotal	81	249	186.5	516.5	+9	82	255	188.5	525.5
Information, Statistics & Liaison									
External Relations Department	9	27	23.5	59.5	-2	9	26	22.5	57.5
Bureau of Statistics	10	63	43	116	—	10	63	43	116
Office in Europe	3	4	8	15	-1	3	4	7	14
Office in Geneva	2	1	3	6	—	2	1	3	6
Subtotal	24	95	77.5	196.5	-3	24	94	75.5	193.5
Support Services									
Administration Department	10	82	135	227	-2	10	85	130	225
Secretary's Department	8	27	64	99	-1	8	27	63	98
Bureau of Computing Services	8	46	19	73	+1	8	46	20	74
Bureau of Language Services	4	52	41	97	-2	4	51	40	95
Internal Auditor	1	7	1	9	—	1	7	1	9
Investment Office—SRP	1	2	—	3	+1	1	2	1	4
Subtotal	32	216	260	508	-3	32	218	255	505
Support Group									
Resident Representatives & Advisors	—	30	—	30	-3	—	27	—	27
Secretarial Staff	—	1	27.5	28.5	—	—	1	27.5	28.5
Subtotal	—	31	27.5	58.5	-3	—	28	27.5	55.5
Unallocated	—	—	—	—	+5	—	5	—	5
Total	217	803	691.5	1,711.5	+8	217	816	686.5	1,719.5

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EFFECTIVE MANPOWER OF DEPARTMENTS, BUREAUS & OFFICES

Unit of Organization	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades			Total		Grades			Total
	B1-B5	A9-A15	A1-A8			B1-B5	A9-A15	A1-A8	
Management	6.4	0.8	7.0	14.2	- 0.2	5.5	1.0	7.5	14.0
Area Departments									
African Department	21.0	84.1	42.4	147.5	+ 3.4	21.0	86.1	43.8	150.9
Asian Department	13.7	42.5	23.2	79.4	+ 3.3	14.0	45.3	23.4	82.7
European Department	14.1	46.3	28.7	89.1	+ 0.8	15.0	45.1	29.8	89.9
Middle Eastern Department	12.0	22.1	14.7	48.8	+ 1.0	11.0	23.6	15.2	49.8
Western Hemisphere Department	16.6	68.5	33.0	118.1	+ 3.7	16.7	69.6	35.5	121.8
Subtotal	77.4	263.5	142.0	482.9	+12.2	77.7	269.7	147.7	495.1
Functional & Special Service Departments									
Central Banking Department Exchange & Trade Relations Department	8.0	85.6	10.8	104.4	+ 9.5	8.0	94.6	11.3	113.9
Fiscal Affairs Department	14.9	51.6	35.9	102.4	+ 5.7	16.3	53.0	38.8	108.1
IMF Institute	15.8	64.0	23.5	103.3	+ 8.3	15.8	71.6	24.2	111.6
Legal Department	11.2	21.8	37.0	70.0	- 0.4	11.0	20.8	37.8	69.6
Research Department	7.2	10.0	18.1	35.3	+ 2.0	7.0	12.6	17.7	37.3
Treasurer's Department	16.8	53.5	24.5	94.8	+ 1.8	18.0	53.8	24.8	96.6
Subtotal	11.2	63.8	59.2	134.2	+ 2.7	11.6	64.0	61.3	136.9
Subtotal	85.1	350.3	209.0	644.4	+29.6	87.7	370.4	215.9	674.0
Information, Statistics & Liaison									
External Relations Department	9.3	26.7	32.8	68.8	- 3.9	10.0	25.5	29.4	64.9
Bureau of Statistics	10.6	63.0	46.8	120.4	+ 1.1	11.0	63.6	46.9	121.5
Office in Europe	3.0	4.2	8.6	15.8	- 0.7	3.0	4.2	7.9	15.1
Office in Geneva	2.0	1.5	3.3	6.8	- 0.5	2.0	1.0	3.3	6.3
Subtotal	24.9	95.4	91.5	211.8	- 4.0	26.0	94.3	87.5	207.8
Support Services									
Administration Department	12.5	87.7	184.7	284.9	+ 1.7	12.0	96.8	177.8	286.6
Secretary's Department	8.0	29.2	78.3	115.5	- 0.3	9.0	28.7	77.5	115.2
Bureau of Computing Services	8.0	151.2	22.5	181.7	- 4.9	8.0	146.0	22.8	176.8
Bureau of Language Services	4.0	53.8	50.1	107.9	- 0.6	4.0	53.8	49.5	107.3
Internal Auditor	1.1	8.0	1.5	10.6	+ 0.2	1.2	8.0	1.6	10.8
Investment Office—SRP	1.0	1.4	1.0	3.4	+ 0.9	1.0	2.0	1.3	4.3
Subtotal	34.6	331.3	338.1	704.0	- 3.0	35.2	335.3	330.5	701.0
Fund-wide Reserve¹									
Unallocated	-0.1	4.0	20.3	24.2	+ 6.3	—	10.1	20.4	30.5
	—	—	—	—	+ 5.0	—	5.0	—	5.0
Total	228.3	1,045.3	807.9	2,081.5	+45.9	232.1	1,085.8	809.5	2,127.4

¹Unallocated manpower reserved for sick, maternity, and sabbatical leave.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

ADMINISTRATION DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	8,628	9,261	9,216	- 45	- 0.5
Other personnel expenses	5,756	5,277	4,675	- 602	- 11.4
Business travel	189	162	167	+ 5	3.1
Other travel	542	551	588	+ 37	6.7
Data processing	2,140	843	1,517	+ 674	80.0
Other administrative expenses	3,801	4,268	4,592	+ 324	7.6
Total	21,056	20,362	20,755	+ 393	1.9

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	2	4.5	10.5	—	4	2	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	—	9	5	14	—	—	10	5	15
Graphics Section	—	7	30	37	—	—	7	30	37
Procurement Section	—	5	6	11	—	—	5	5	10
Support Services Section	—	3	29	32	-5	—	3	24	27
Transportation Section	—	3	6	9	—	—	3	6	9
Subtotal	1	29	77	107	-5	1	30	71	102
Budget and Planning Division	1	8	5	14	+1	1	9	5	15
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	6	6	13	+1	1	7	6	14
Joint Fund-Bank Library	1	19	19.5	39.5	+1	1	19	20.5	40.5
Total staff ceiling	10	82	135	227	-2	10	85	130	225
Effective manpower estimates ¹	10.0	76.0	118.7	204.7	+3.3	10.0	80.3	117.7	208.0
Economist and Summer Intern Programs									
Consultants	2.5			2.5	-0.5	2.0			2.0
Temporary Assistance		11.7	55.8	67.5	-2.0		16.5	49.0	65.5
Overtime			10.2	10.2	+0.9			11.1	11.1
Total effective manpower	12.5	87.7	184.7	284.9	+1.7	12.0	96.8	177.8	286.6

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

ADMINISTRATION DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Regular and contractual staff recruited	582	658	742	820	850
Staff enrolled in training courses	1,298	1,980	2,279	2,072	2,100
Benefits cases processed	5,263	5,355	5,762	5,928	6,140
Travel authorizations processed	4,752	5,048	4,810	4,665	4,735
Purchase orders written	1,995	2,231	2,580	2,800	3,000
Books and periodicals loaned	53,715	59,237	52,259	52,700	55,000
Staff and experts in the field	241	238	255	206	230

¹ Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

The department was again engaged in several special projects and key policy reviews, over and above its normal day-to-day activities. Appeals of job grading decisions, continuing work for the Joint Committee on Compensation (JCC), and the high level of early retirements with the consequential need for replacement of staff, all placed a heavy burden on several divisions. In addition, a number of reviews were conducted, and policies developed, on the roles of the Review and Senior Review Committees, the terms of senior staff appointments, assistance to staff in downgraded positions, outplacement, the Workers' Compensation policy, the tax allowance system, the criteria for employment of contractual staff, benefits and allowances for technical assistance experts, the downgrading of settlement travel, the use of first class travel, and travel al-

lowances. Several General Administrative Orders (GAOs) dealing with personnel matters were reviewed and updated. The Administrator of the Medical Benefits Plan was changed. In the budgetary field, a new capital budget was instituted and the automated budget and procurement system was brought into production. Other special projects included the design and construction of the Data Center, the leasing of new office space at International Square, the planning for the relocation of the Joint Library, the provision of ancillary services at International Square, and the revision of the procurement and property manual. The Joint Library replaced the card catalogue with a self-service online catalogue and instituted an automated charge-out system.

WORK PROGRAM IN FINANCIAL YEAR 1989

Essential operational work in the area of human resources is expected to increase following the completion of the work of the Joint Committee on Compensation, and the consequential need to implement a new salary scale, a new system of salary administration including merit-pay policies and other related changes. The implementation of any decisions following the review of the Staff Retirement Plan, the revised Workers' Compensation policy, and the current system of benefits and allowances for technical assistance experts, will fall mainly in FY 1989. The updating and reviews of the remaining GAOs will continue in FY 1989, and reviews will be initiated of leave policies, dependency allowances, the scope of medical services provided by the Fund and the Fund's insurance needs. New initiatives will be undertaken on a more integrated approach to career development. The likely establishment of an Administrative Tribunal will make heavy demands on the time of senior staff. Other areas of work include the generation and analysis of proposals to improve the Fund's efficiency, further planning for greater budget decentralization, and the assumption by the department of a greater role in the formulation and control of the EDP budget. The move of the Joint Library and the completion of the Data Center, with the consequential relocation of staff, the new cafeteria in International Square, and the renovation of a third IMF Institute

lecture room will contribute to a heavy work load. Studies will also be made of the needs of the Fund for printing and graphics services, the use of existing telephone wiring for a Fund-wide data network, enhanced building security, and contingency plans for emergencies. It is planned to begin the development of a comprehensive computerized information system for travel and transportation management, to be linked with the budgeting and administrative expenditures system. In the Joint Library, the present level of service will be maintained from its new location, a Reference Center will be established in the Fund headquarters, and evening and weekend hours for the library will be reintroduced.

It is proposed to reduce the staff ceiling of the department by a net total of 2 positions. A personnel officer, a budget officer and a library clerk will be added and, reflecting a management decision, 5 positions will be eliminated by attrition from the messenger unit and the needed manpower will be provided through a vendor arrangement. As part of the effort to improve the Fund's efficiency, graphics work in the External Relations Department will be transferred to the Graphics Section of the department. Total manpower available to the department is expected to increase by 1.7 man-years to 286.6 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

AFRICAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	7,407	8,021	8,240	+ 219	2.7
Other personnel expenses	5,953	5,803	5,514	- 289	- 5.0
Business travel	2,440	2,517	2,597	+ 80	3.2
Other travel	797	899	963	+ 64	7.1
Data processing	279	658	280	- 378	- 57.5
Other administrative expenses	1,187	1,333	1,477	+ 144	10.8
Total	18,063	19,231	19,071	- 160	- 0.8

**Personnel Ceilings
(man-years)**

Unit ¹	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	11	3	20	34	—	11	3	20	34
East African Division I	1	5	2	8	—	1	5	2	8
East African Division II	1	7	2	10	—	1	7	2	10
Equatorial African Division	1	7	2	10	—	1	7	2	10
Indian Ocean Division	1	6	2	9	—	1	6	2	9
North African Division	1	6	2	9	—	1	6	2	9
Sahel Division	1	7	2	10	—	1	7	2	10
Southern African Division	1	6	2	9	—	1	6	2	9
West African Division I	1	7	2	10	—	1	7	2	10
West African Division II	1	7	2	10	—	1	7	2	10
West African Division III	1	6	2	9	—	1	6	2	9
Total staff ceiling	21	67	40	128	—	21	67	40	128
Resident representative ceiling	—	13	—	13	—	—	13	—	13
Effective manpower estimates ²	21.0	74.2	36.8	132.0	+ 3.1	21.0	76.1	38.0	135.1
Economist and Summer Intern Programs	—	8.0	—	8.0	+ 0.5	—	8.5	—	8.5
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	1.9	4.3	6.2	+ 0.1	—	1.5	4.8	6.3
Overtime	—	—	1.3	1.3	- 0.3	—	—	1.0	1.0
Total effective manpower	21.0	84.1	42.4	147.5	+ 3.4	21.0	86.1	43.8	150.9

¹It is proposed that the names of the divisions change on May 1, 1988. To make a realistic comparison, the division names have been adjusted retroactively to FY 1988 for presentation purposes only. The present divisions: East African, Mideast African, Equatorial African, Southeast African, North African, North Central African, South Central African, Midwest African, and Northwest African are renamed East African I, East African II, Equatorial African, Indian Ocean, North African, Sahel, Southern African, West African I, West African II, and West African III, respectively.

²The 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 countries,

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 1989 BUDGET BY UNIT OF ORGANIZATION

AFRICAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ^a
Member countries	46	46	46	46	46
Countries using Fund resources ¹	20	17	23	15	...
Consultation missions	37	42	43	45	44
of which, also concerned with use of Fund resources (UFR)	(22)	(22)	(26)	(27)	(28)
Staff trips on operations and relations with member countries ²	308	320	386	379	390
New programs approved ³	10	14	18	9	7
Programs continuing ⁴	4	5	5	8	11
Program months ⁵	153	177	181	228	140
SAF programs approved	—	—	6	11	8
SAF program months	—	—	16.5	122.5	281
Staff reports prepared ⁶	...	...	110	87	87
Article IV Consultations	(...)	(...)	(29)	(18)	(20)
Article IV Consultations and UFR	(...)	(...)	(13)	(17)	(16)
Recent Economic Developments	(...)	(...)	(42)	(34)	(36)
Use of Fund resources ⁷	(...)	(...)	(26)	(18)	(15)

¹Excluding reserve tranche purchases.

²A9-B5 staff trips only.

³Programs approved in the calendar year; excludes SAF programs.

⁴Including extended arrangements.

⁵Cumulative period over which stand-by and extended arrangements were in effect during each calendar year.

⁶Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

⁷Major UFR reports only; excluding special facilities (CFF and BSFF).

⁸Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the work load of the department continued to increase as a result of participation under the Structural Adjustment Facility (SAF) program almost tripling from the 1986 level. The department conducted 165 missions (181 in 1986). Of the total, there were 45 (43) Article IV consultation missions, 27 (26) of which were combined with the use of Fund resources negotiations. There were also 50 (61) missions concerned exclusively with the use of Fund resources, largely reflecting the additional and complex work load occasioned by SAF-related operations (56 missions involved SAF-related work). The number of technical assistance missions declined to 8 (10), as did other staff visits and participation in aid donors' conferences, debt re-

scheduling meetings and consultative groups which decreased to 70 (77). In addition to the negotiations conducted in the host country, 20 (20) were held at headquarters in Washington.

New stand-by arrangements were approved for 8 (18) member countries, extended arrangements for 1 (0) country, as well as SAF programs for 11 (6) countries. At year-end, there were 16 (21) stand-by arrangements in effect and 17 (6) SAF programs. With regard to use of Fund resources, 14 (20) member countries made drawings in regular credit tranches, and 16 (11) made drawings under special facilities, including 14 (6) under the SAF.

WORK PROGRAM IN FINANCIAL YEAR 1989

For FY 1989, the volume of work activities is expected to rise further, mainly reflecting additional requests under the Enhanced Structural Adjustment Facility (ESAF) program. The number of Article IV consultation missions is expected to be about the same as in 1987. The number of separate use of Fund resources missions is expected to increase, largely due to activities associated with the ESAF. Given the complexities associated with the ESAF, a

relative increase in the time spent at headquarters and with the World Bank in preparation of Policy Framework Papers and other SAF-related activity is likely.

Total manpower available to the department is estimated to increase by 3.4 man-years to 150.9 man-years. Included in the total are 13 resident representative positions which the department will continue to maintain during the coming year.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

ASIAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,133	4,281	4,454	+ 173	4.0
Other personnel expenses	3,221	2,998	2,861	- 137	- 4.6
Business travel	930	960	992	+ 32	3.3
Other travel	498	488	498	+ 10	2.0
Data processing	171	231	269	+ 38	16.5
Other administrative expenses	692	751	852	+ 101	13.5
Total	9,645	9,709	9,926	+ 217	2.2

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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	4	3	8
Division E	1	6	2	9	+ 1	1	7	2	10
Division F	1	4	3	8	—	1	4	3	8
Total staff ceiling	13	30	21	64	+ 1	13	31	21	65
Resident representative ceiling	—	6	—	6	—	—	6	—	6
Effective manpower estimates ¹	13.0	35.7	21.0	69.7	+ 0.7	13.0	36.4	21.0	70.4
Economist and Summer Intern Programs	—	6.6	—	6.6	+ 1.4	—	8.0	—	8.0
Consultants	0.7	—	—	0.7	+ 0.3	1.0	—	—	1.0
Temporary Assistance	—	0.2	1.8	2.0	+ 0.7	—	0.9	1.8	2.7
Overtime	—	—	0.4	0.4	+ 0.2	—	—	0.6	0.6
Total effective manpower	13.7	42.5	23.2	79.4	+ 3.3	14.0	45.3	23.4	82.7

¹The 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 countries,

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 1989 BUDGET BY UNIT OF ORGANIZATION

ASIAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ^a
Member countries	23	24	25	25	25
of which, G-7 countries	(1)	(1)	(1)	(1)	(1)
Countries using Fund resources ¹	5	7	7	4	...
Consultation missions	20	21	24	21	23
of which, also concerned with use of Fund resources (UFR)	(5)	(5)	(9)	(4)	(7)
Staff trips on operations and relations with member countries ²	109	104	112	122	127
New programs approved ³	2	4	2	—	1
Programs continuing ⁴	5	3	5	1	1
Program months ⁵	45	37	63	33	9
SAF programs approved	5	—	—	2	3-5
SAF program months	—	—	—	13.5	39
Staff reports prepared ⁶	...	...	42	39	43
Article IV Consultations	(...)	(...)	(14)	(15)	(16)
Article IV Consultations and UFR	(...)	(...)	(6)	(3)	(7)
Recent Economic Developments	(...)	(...)	(20)	(17)	(20)
Use of Fund resources ⁷	(...)	(...)	(2)	(4)	(—)

¹Excluding reserve tranche purchases.

²A9-B5 staff trips only.

³Programs approved in the calendar year; excludes SAF programs.

⁴Including extended arrangements.

⁵Cumulative period over which stand-by and extended 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.

⁶Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

⁷Major UFR reports only; excluding special facilities (CFF and BSFF).

⁸Projected.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department conducted 35 missions (34 in 1986) and one negotiation at headquarters. There were 21 (24) Article IV consultation missions, of which 4 (9) involved use of Fund resources. Of the remaining 14 (10) missions, 13 (9) related exclusively to the use of Fund resources and 1 (1) involved preparations for a report for the use of the Inter-Governmental Group on Indonesia. The department also provided staff members for 5 (4) technical assistance missions and 6 (5) seminars. Senior staff in the

department held policy discussions during 7 (6) staff visits to member countries, and participated in 11 (10) Aid Group meetings. The department also maintained contact with regional organizations by sending observers to the Annual Meetings of ESCAP and ASDB.

During 1987, 3 (7) countries drew in the credit tranches, 2 (0) under the SAF and 2 (2) under the Compensatory Financing Facility. At year-end, 1 stand-by arrangement remained in effect.

WORK PROGRAM IN FINANCIAL YEAR 1989

In FY 1989, 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 policy discussions. Work

on a number of important countries such as China, India, Indonesia, Malaysia, and Thailand will have to be increased.

It is proposed to add 1 economist position for the projected increase in work load. Total manpower available to the department is estimated to increase by 3.3 man-years to 82.7 man-years. Included in the total are 6 resident representative positions which the department will continue to utilize during the coming year.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

CENTRAL BANKING DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	6,199	5,541	6,364	+ 823	14.9
Other personnel expenses	2,806	2,575	2,740	+ 165	6.5
Business travel	291	309	320	+ 11	3.6
Other travel	1,065	872	969	+ 97	11.1
Data processing	59	108	39	- 69	-63.8
Other administrative expenses	287	309	342	+ 33	10.7
Total	10,707	9,714	10,774	+1,060	10.9

Personnel Ceilings

(man-years)

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	1	6.5	14.5	—	7	1	6.5	14.5
Economics Division	1	7	2	10	+2	1	8	3	12
Total staff ceiling	8	8	8.5	24.5	+2	8	9	9.5	26.5
Effective manpower estimates ¹	8	8	8.5	24.5	+1.2	8	8.5	9.2	25.7
Economist and Summer Intern Programs	—	2.6	—	2.6	+0.5	—	3.1	—	3.1
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	2.2	2.2	-0.3	—	—	1.9	1.9
Overtime	—	—	0.1	0.1	+0.1	—	—	0.2	0.2
Subtotal	8	10.6	10.8	29.4	+1.5	8	11.6	11.3	30.9
Experts	—	75	—	75 ²	+8	—	83	—	83
Total effective manpower	8	85.6	10.8	104.4	+9.5	8	94.6	11.3	113.9

¹ The differences between staff ceilings and effective manpower reflect estimated vacancies.

² Actual usage compared to 89 man-years in FY 1988 budget.

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.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

CENTRAL BANKING DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Technical Assistance					
Countries assisted	66	68	64	54	60
Number of panel experts	149	141	150	109	120
Expert years on assignment	97.9	93	92	71	82
Number of advisory missions	12	15	19	18	25
Number of advisory reports/legislation	10	11	24	28	35
Applied research					
Number of studies finalized	5	2	5	2	5

¹ Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the number of panel expert assignments and the number of expert years on assignment declined significantly, reflecting in part continued efforts to phase out assistance in countries and areas of specialization which have been recipients for an unduly long time, and in part the difficulty the department experienced in recruiting experts in the field of banking supervision. A total of 71 (92) man-years of experts' services were provided to 50 (59) countries and 4 (5) multinational institutions. The number of experts assigned declined to 109 (150 in 1986) as several requests for technical assistance were met through shorter visits by headquarters' staff rather than through the assignment of experts in the field.

The department's advisory work continued at the high level of the preceding year with 18 (19) missions fielded and 28 (24) reports finalized. An increasing number of these missions provided support for stand-by and SAF programs. Requests from area departments for participation in their missions also increased and with existing resources, the department was able to fulfill 7 (4) such requests in 1987.

The increased involvement in advisory services and area department work limited the department's ability to allocate resources for applied research, which further reduced in 1987 to 19 (23) man-months with only 2 (5) major studies completed and 10 (9) in progress at year-end.

WORK PROGRAM IN FINANCIAL YEAR 1989

Beginning with FY 1989 and spread over the next three financial years, the department plans to restructure its operations by gradually replacing, wherever possible, long-term assistance provided by experts in the field with shorter visits by headquarters' staff. As part of the restructuring, it is also planned to station a few experts at headquarters to undertake short-term technical assistance missions. A move in this direction should give the department greater flexibility in responding to the needs of the countries as well as the area departments, while maintaining the overall level of technical assistance provided by the Fund in central banking matters.

Some recovery in the technical assistance expert program is expected in FY 1989 with the panel of expert assignments estimated to reach approximately 83 man-years (75 in FY 1988).

The department's advisory work is expected to increase further as is its involvement in area department

missions in response to requests generated in connection with stand-by and SAF programs. Research activity is projected to continue at the present level.

As part of the restructuring of the department's operations, it is proposed to increase the department's staff ceiling by 2 positions: an economist position to strengthen the department's capability to field short-term advisory missions and to enhance its contribution to the work of the area departments; and a secretarial position presently provided on a temporary basis from the SCF. At the same time, a budget of 83 man-years for technical assistance experts with up to two resident experts is proposed for FY 1989. Overall, total manpower available to the department (including the filling of 8 man-years of expert vacancies) is estimated to increase by 9.5 man-years to 113.9 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EUROPEAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,391	4,719	4,841	+122	2.6
Other personnel expenses	3,100	2,825	2,619	-206	-7.3
Business travel	1,061	1,024	1,059	+35	3.4
Other travel	360	370	403	+33	8.9
Data processing	288	337	292	-45	-13.4
Other administrative expenses	804	857	985	+128	14.9
Total	10,004	10,132	10,199	+67	0.7

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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	5	3	9	+1	1	6	3	10
Western European Division	1	6	3	10	—	1	6	3	10
Total staff ceiling	14	41	28	83	+1	14	42	28	84
Effective manpower estimates ¹	13.9	38.2	25.9	78.0	+1.1	14.0	39.2	25.9	79.1
Economist and Summer Intern Programs	—	6.3	—	6.3	-0.8	—	5.5	—	5.5
Consultants	0.2	—	—	0.2	+0.8	1.0	—	—	1.0
Temporary Assistance	—	1.8	2.6	4.4	-0.4	—	0.4	3.6	4.0
Overtime	—	—	0.2	0.2	+0.1	—	—	0.3	0.3
Total effective manpower	14.1	46.3	28.7	89.1	+0.8	15.0	45.1	29.8	89.9

¹The 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.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EUROPEAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ⁹
Member countries	27	27	28	28	28
of which, G-7 countries	(4)	(4)	(4)	(4)	(4)
Countries using Fund resources ¹	5	1	1	—	...
Consultation missions	20	25	30	26	28
of which, also concerned					
with use of Fund resources (UFR)	(4)	(2)	(—)	(2)	(—)
Staff trips on operations and					
relations with member countries ²	168	159	152	141	145
New programs approved ³	3	1	—	—	3
Programs continuing ⁴	3	4	1	—	—
Program months ⁵	44	18	5	—	25
Enhanced surveillance months ⁶	—	—	7	12	—
Staff reports prepared ⁷	...	...	54	55	59
Article IV Consultations	(...)	(...)	(25)	(27)	(28)
Article IV Consultations and UFR	(...)	(...)	(1)	(—)	(—)
Recent Economic Developments	(...)	(...)	(26)	(27)	(28)
Use of Fund resources ⁸	(...)	(...)	(1)	(1)	(3)
Other	(...)	(...)	(1)	(—)	(—)

¹Excluding reserve tranche purchases.

²A9-B5 trips only.

³Programs approved in the calendar year.

⁴Including extended arrangements.

⁵Cumulative period over which stand-by and extended 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.

⁶One country. Enhanced surveillance followed expiration of stand-by program.

⁷Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

⁸Major UFR reports only; including enhanced surveillance; excluding special facilities (CFF and BSFF).

⁹Projected.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department conducted 67 missions (51 in 1986). Of the total, there were 26 (30) Article IV consultation missions, 2 (0) of which were combined with use of Fund resources negotiations and 1 (1) separate use of Fund resources mission. There was also a significant number of visits to member countries, often at the request of the authorities, to discuss special policy problems, as well as visits to the Paris Club and other international organizations.

With regard to use of Fund resources, there were no programs in effect during 1987, although discussions began with a number of countries on possible financial arrangements. The department continued to carry major responsibilities for the work in connection with the WEO and multilateral surveillance, particularly within the Group of Seven (G-7).

WORK PROGRAM IN FINANCIAL YEAR 1989

The work load in FY 1989 is expected to be at least as heavy as in CY 1987. Consultation missions are again expected to constitute the bulk of the department's work. Several missions are also planned which relate exclusively to the use of Fund resources, given the interest expressed by some countries for financial assistance. It is also anticipated that the work related to the EC and EMS, as well as to nonmembers, will increase. Work on the WEO is expected

to remain heavy and, an increased work load with regard to the G-7 is anticipated in FY 1989 as a result of the increased emphasis placed on multilateral surveillance and on international policy coordination.

It is proposed to add 1 economist position to assist with the increased work load. Total manpower available to the department is estimated to increase by 0.8 man-year to 89.9 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EXCHANGE AND TRADE RELATIONS DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,858	4,975	5,195	+ 220	4.4
Other personnel expenses	3,444	3,029	2,839	- 190	- 6.3
Business travel	1,264	1,339	1,384	+ 45	3.4
Other travel	394	412	448	+ 36	8.7
Data processing	317	145	189	+ 44	30.3
Other administrative expenses	956	998	1,144	+146	14.6
Total	11,233	10,898	11,199	+ 301	2.8

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	2	7	16	+1	8	2	7	17
Consultation Practices Division	1	5	2	8	—	1	5	2	8
Development Finance Division	1	4	2	7	+1	1	5	2	8
Exchange Restrictions Division	1	5	6	12	—	1	5	6	12
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	3	10	—	1	6	3	10
Stand-By Policies Division	1	6	3	10	—	1	6	3	10
Trade and Payments Division	1	5	2	8	—	1	5	2	8
Total staff ceiling	15	45	33	93	+ 2	16	46	33	95
Effective manpower estimates ¹	14.9	42.5	31.8	89.2	+2.6	16.0	43.8	32.0	91.8
Economist and Summer Intern Programs	—	5.6	—	5.6	-0.1	—	5.5	—	5.5
Consultants	—	—	—	—	+0.3	0.3	—	—	0.3
Temporary Assistance	—	3.5	3.1	6.6	+2.7	—	3.7	5.6	9.3
Overtime	—	—	1.0	1.0	+0.2	—	—	1.2	1.2
Total effective manpower	14.9	51.6	35.9	102.4	+5.7	16.3	53.0	38.8	108.1

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

EXCHANGE AND TRADE RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ²
Fund mission participation (overseas trips) ¹	193	206	214	208	216
of which:					
Operations and relations with member countries	(156)	(167)	(178)	(148)	(154)
Policy development and research	(28)	(19)	(14)	(27)	(25)
Review and approval of country papers:					
Consultations	97	108	101	99	105
Use of Fund resources	67	52	73	96	...
Joint consultation/use of Fund resources	21	24	23	22	...
Papers prepared:					
Policy papers	30	22	27	38	45
Information papers, GATT papers and departmental memoranda	23	19	18	17	20
Board papers on exchange systems and rates	59	65	70	37	40

¹A9-B5 staff trips only.

²Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

The department actively participated in the heavy operational work load of the area departments. In 1987, staff of the department participated in 149 use of Fund resources, consultation, and related missions (167 in 1986) and 85 (79) missions for other country matters. In addition, staff participated in 66 (76) discussions with authorities at headquarters. During the year, significant resources were devoted to operational aspects of the Structural Adjustment Facility (SAF) and to the development of the Enhanced Structural Adjustment Facility (ESAF), including collaboration with the World Bank, member governments, and other agencies concerned with development assistance. Operational work related to debt rescheduling through the Paris Club and commercial banks continued at high levels and

became more complex, as did work related to trade policy and structural and financial reform in developing countries.

In the policy area, 38 papers (27 in 1986) were prepared for the Executive Board and the Interim and Development Committees, the large increment mainly reflecting work on SAF and its enhancement. Considerable attention was devoted to the issues of surveillance, conditionality, including program design, management of the debt situation, monitoring structural adjustment policies, and trade. Other policy papers included reports on developments and innovations in international capital markets, export credit developments and prospects, access policy and access limits for 1988, and proposals of the G-10 and G-24.

WORK PROGRAM IN FINANCIAL YEAR 1989

The operational work of the department is expected to increase in FY 1989, particularly in the area of the ESAF for low income countries, and in collaboration with the World Bank and aid agencies. The work load related to other Fund programs and surveillance through Article IV consultations will remain substantial. Additional resources will be devoted to development finance issues, in particular to improve liaison with the World Bank and to establish close working relationships with aid agencies, especially in view of the need to closely monitor financial flows to members engaged in arrangements under the SAF/ESAF. It is anticipated that the work on trade issues will remain heavy, particularly as developments in the Uruguay Round continue and GATT discussions proceed in areas such as balance of payments restrictions. Coordination with official and commercial creditors on the financing of Fund-supported programs and on debt reschedulings will remain a vital part of the department's work.

The department's policy work will continue to absorb

substantial resources in FY 1989. The major tasks for the department will be a comprehensive review of conditionality (the first since 1979) following the recent reconsideration of the Extended Fund Facility (EFF) and the proposed review of external contingency mechanisms; and additional papers on trade policy issues. Various papers concerning the management of the complex debt situation will be required as well as papers on access limits for the third-year under the existing SAF. In addition, the first progress report on operations under the ESAF will be prepared for the Board. Policy work will also continue on a number of topics, including relations with export credit agencies and aid agencies, developments in international capital markets, the design and monitoring of external debt ceilings, surveillance, and trade issues.

It is proposed to add 1 senior level position and 1 economist position to assist with the anticipated increases in work load. Total manpower available to the department is estimated to increase by 5.7 man-years to 108.1 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EXTERNAL RELATIONS DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	2,843	3,130	3,060	- 70	- 2.2
Other personnel expenses	1,914	1,781	1,592	-189	-10.6
Business travel	158	207	214	+ 7	3.4
Other travel	286	263	327	+ 64	24.3
Data processing	410	281	377	+ 96	34.2
Other administrative expenses	2,415	2,222	2,482	+260	11.8
Total	8,026	7,884	8,052	+168	2.1

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	6	3	4	13	+1	6	3	5	14
Publications Unit	—	1	9	10	—	—	1	9	10
Current Publications Division	1	5	3	9	-4	1	3	1	5
Editorial Division	1	9	2.5	12.5	—	1	9	2.5	12.5
Information Division	1	5	3	9	+2	1	7	3	11
Finance & Development Office	—	4	2	6	-1	—	3	2	5
Total staff ceiling	9	27	23.5	59.5	-2	9	26	22.5	57.5
Effective manpower estimates ¹	9	26.7	22	57.7	-1.9	9	25.5	21.3	55.8
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	.3	—	—	.3	+0.7	1.0	—	—	1.0
Temporary Assistance	—	—	10.2	10.2	-2.7	—	—	7.5	7.5
Overtime	—	—	.6	.6	—	—	—	.6	.6
Total effective manpower	9.3	26.7	32.8	68.8	-3.9	10.0	25.5	29.4	64.9

¹The 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; and to organize and conduct briefings for Fund visitors. 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.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

EXTERNAL RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ²
Information					
Enquiries from general public	28,300	32,400	37,650	51,750	60,000
Visitors under visitors program	1,680	1,760	9,000 ¹	29,500	35,000
Press seminars, conferences, briefings	47	51	53	59	70
Press Contacts—Telephone interviews	11,000	11,000	11,500	12,750	14,000
Publications					
Number of pages edited and published	...	8,905	12,635	12,096	12,716
Titles published	34	35	48	46	61
Volumes/issues published	215	210	222	224	260

¹Official opening of the IMF Visitors' Center.

²Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

The department's activities in 1987 have been marked by an intensification of most aspects of the external relations program, particularly in the areas of improving the image of the Fund in both debtor and creditor countries. In addition to staff members of the department accompanying management on 4 overseas and domestic visits during the year, the department also held 59 press conferences and briefings (53 in 1986), and produced 44 (95) press releases as well as conducting 121 (104) short seminars at headquarters for groups of visitors. Approximately 17,950 (16,775) personal and telephone contacts were made with the press and an estimated 381 (375) background interviews were arranged with senior staff members and management. Articles and speeches reviewed for publication and delivery outside the Fund numbered 122 (104). In addition to the 10 (8) information missions conducted in 1987 at which 850 (650) journalists were contacted, one seminar for nonofficials in the United Arab Emirates was organized.

The department continued to publish the daily news digest, *Morning Press*; a monthly report for press use on

Fund statistics, the *IMF Memorandum*, distributed in English, French, German, and Spanish; and the *IMF Survey* which, at the end of 1987, had a circulation outside the Fund, the World Bank, and other Washington-based agencies of 19,164 in English (18,654 in 1986), 4,758 (4,484) in French, and 4,570 (4,287) in Spanish. *Finance and Development*, a Fund-World Bank quarterly journal produced in seven languages, had a circulation at the end of 1987 of 118,188 (118,836).

In addition, the department was responsible for the editing, presentation, and publication of the *Annual Report of the Executive Board*, the *Annual Report on Exchange Arrangements and Exchange Restrictions*, 4 issues of *Staff Papers* and 7 *Occasional Papers*. In addition to the 1987 *World Economic Outlook* and its supplement, three papers were published in the *World Economic and Financial Surveys (WEFS)* series. Sales of 9,742 copies of the *World Economic Outlook* in 1987 were slightly lower than the level of the previous year. Publication revenues (including tape subscriptions) were \$1,875,628 (\$1,831,938 in 1986).

WORK PROGRAM IN FINANCIAL YEAR 1989

In accordance with the priority that the Managing Director has placed on correcting the negative perceptions of the Fund held in some member countries, a further intensification of external relations activities is planned for FY 1989. In addition to the Managing Director's activities in this area, increased emphasis will be placed on broadening contacts with the United Nations and affiliated nongovernmental organizations through an expanded role of the Fund's UN Representative and his office. A concerted effort will also be made to improve the understanding of the Fund's work in developing countries, particularly in Africa. In addition to these new initiatives, the department will continue to focus on its traditional programs, including the press seminar series, of which 8 are scheduled for FY 1989 (including 3 seminars for editorial writers and senior correspondents in the United States, Europe and a developing

country, and 5 regional seminars), background briefing sessions for the press with senior staff, information missions (5 planned), and 2 seminars for nonofficials, in Kuala Lumpur and Hamburg.

The net decrease of two positions shown in the department's staff ceiling for FY 1989 reflects the following changes: (i) the transfer of three graphics artists to fill vacant positions in the Administration Department and consequent elimination of three positions; (ii) the elimination of a vacant position no longer needed; and (iii) the addition of two positions, one for the manager of the Visitors' Center (through conversion of a SCF contractual position) and the other for an information officer, who will be stationed in the Paris Office. The total manpower available to the department will fall by 3.9 man-years to 64.9 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,711	6,083	6,786	+703	11.6
Other personnel expenses	3,497	3,242	3,140	-102	-3.1
Business travel	1,064	1,111	1,148	+37	3.3
Other travel	900	931	1,062	+131	14.1
Data processing	307	162	117	-45	-27.8
Other administrative expenses	850	879	1,049	+170	19.3
Total	12,329	12,408	13,302	+894	7.2

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	1	9.5	19.5	—	9	1	9.5	19.5
Budget and Expenditure									
Control Division	1	6	2	9	—	1	6	2	9
Fiscal Review Division	1	8	2	11	+1	1	9	2	12
Government Expenditure									
Analysis Division	1	8	2	11	—	1	8	2	11
Special Fiscal Studies Division	1	7	2	10	—	1	7	2	10
Tax Administration Division	1	6	2	9	—	1	6	2	9
Tax Policy Division	1	9	2	12	—	1	9	2	12
Total staff ceiling	15	45	21.5	81.5	+1	15	46	21.5	82.5
Effective manpower estimates ¹	15	40.8	21.0	76.8	+1	15	42.3	20.5	77.8
Economist and Summer									
Intern Programs	—	2.2	—	2.2	+0.9	—	3.1	—	3.1
Consultants	0.8	—	—	0.8	—	0.8	—	—	0.8
Temporary Assistance	—	—	2.4	2.4	+1.3	—	0.2	3.5	3.7
Overtime	—	—	0.1	0.1	+0.1	—	—	0.2	0.2
Subtotal	15.8	43.0	23.5	82.3	+3.3	15.8	45.6	24.2	85.6
Experts	—	21.0	—	21.0 ²	+5.0	—	26.0	—	26.0
Total effective manpower	15.8	64.0	23.5	103.3	+8.3	15.8	71.6	24.2	111.6

¹The differences between staff ceilings and effective manpower reflect estimated vacancies.

²Actual usage compared to 26 man-years in FY 1988 budget.

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 1989 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT
Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ²
Fund mission participation ¹	102	122	96	107	106
Technical assistance					
Countries assisted	48	57	55	40	45
Panel experts' assignments	67	67	63	66	70
Staff assignments	30	53	51	37	45
Formal reports	13	24	23	32	30
IMF Institute teaching sessions given by FAD staff	140	118	133	166	147
Departmental memoranda and working papers issued	19	24	22	32	25

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

²Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department continued to be extensively involved in Fund missions and the resources devoted to participation in area department missions facing critical or major fiscal issues increased again. Staff participated in 107 missions (96 in CY 1986), although the pressures on the staff made it necessary to decline many area department requests. Of the missions undertaken, 16 (13) were Article IV consultations, and 85 (80) were concerned with the use of Fund resources. Included in the latter were 23 missions for work on the SAF compared to 13 missions in 1986. In the geographical distribution of missions, African Department countries continued to predominate with 63 (58), followed by the Asian Department with 16 (15), the Western Hemisphere Department with 10 (13), the Middle Eastern Department with 8 (4), and the European Department with 4 (3). In addition, staff participated in 6 (3) World Bank missions. The number of area department papers reviewed decreased to 553 (612).

In 1987, requests for technical assistance services continued to increase; however, the number of technical assistance missions declined to 56 from 74, largely due to a

sharp decline in the availability of senior staff who could head them. Technical assistance was provided to 40 (55) countries involving 31.2 (34.7) man-years, of which 10.8 (11.7) were staff time and 20.4 (23.0) were panel experts' time. There was a marked decrease in both short-term missions (to 40 from 51) and long-term assignments (to 16 from 23). Staff time devoted to general policy development and research increased to 8.8 (6.7) man-years, and resulted in the production of 25 (12) Departmental Memoranda and 1 (2) policy paper for Board discussion. During the year, 6 (3) Working Papers concentrating on operational policy problems were published in *Staff Papers*. In addition, the department made significant contributions to the World Economic Outlook exercise.

As in CY 1986, FAD staff conducted 2 Public Finance courses and provided lecturers for several other courses organized by the IMF Institute. In addition, a seminar for high-level officials on budgeting and expenditure control was delivered in Spanish. The number of sessions conducted by FAD staff in CY 1987 increased to 166 (133), involving 1.8 man-years (1.2).

WORK PROGRAM IN FINANCIAL YEAR 1989

The department will continue to allocate substantial resources (19 man-years) to the participation in, and the support of, area department missions. This reflects the high percentage (70 percent), of fiscal structural policy measures in SAF programs and the expectation that the demand for fiscal expertise on Fund missions will continue to grow. The department will focus more than in the past on comparative analysis of fiscal developments and policies in medium-income and industrialized countries (4 man-years). As part of the continuing and rapidly increasing collaboration with the World Bank, the department will continue to respond, on a selective basis, to requests for the participation of Fund fiscal specialists in Bank missions, as well as to requests to assist the Bank in other activities.

The decline in the department's technical assistance

activities over the past few years is expected to be reversed in FY 1989 (to 38 man-years) due to the location in Washington of an additional 3 headquarters-based experts (6 in total) who will participate in and, on occasion, lead short-term technical assistance missions. Research activities will continue to contribute to the formulation of policies in the fiscal area, supporting both operational work and technical assistance with manpower allocations similar to previous years.

It is proposed to add one economist to the staff ceiling in the Fiscal Review Division in FY 1989. A budget of 26 man-years (the same as in FY 1988) is proposed for technical assistance experts. Total manpower available to the department (including the filling of 5 man-years of expert vacancies) will increase by 8.3 man-years to 111.6.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

IMF INSTITUTE

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	3,205	3,234	3,307	+ 73	2.3
Other personnel expenses	3,287	3,153	3,129	- 24	- 0.8
Business travel	180	166	171	+ 5	3.0
Other travel	1,640	1,906	1,917	+ 11	0.6
Data processing	72	268	378	+110	41.0
Other administrative expenses	2,282	1,620	2,051	+431	26.6
Total	10,666	10,347	10,953	+606	5.9

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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	—	1	2	19	22
Arabic Division	1	2	1	4	—	1	2	1	4
English Division	1	5	2	8	—	1	5	2	8
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
Total staff ceiling	11	20	32.5	63.5¹	—	11	20	32.5	63.5
Effective manpower estimates ²	11	19.8	29.7	60.5	—	11	19.5	30	60.5
Economist and Summer Intern Programs	—	1.0	—	1.0	—	—	1.0	—	1.0
Consultants	0.1	—	—	0.1	-0.1	—	—	—	—
Temporary Assistance	0.1	1.0	6.3	7.4	-0.3	—	0.3	6.8	7.1
Overtime	—	—	1.0	1.0	—	—	—	1.0	1.0
Total effective manpower	11.2	21.8	37.0	70.0	-0.4	11	20.8	37.8	69.6

¹Transfer of 1 A9-A15 position to the External Relations Department during FY 1988.

²The 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: financial analysis and policy, financial programming and policy, techniques of economic analysis, balance of payments methodology, public finance, government finance statistics, and money and banking statistics. In addition to its program of courses, the Institute periodically conducts

short seminars for high level officials on balance of payments management, budgeting and expenditure control, central banking, the role of the Fund in the international monetary system, external debt management, pricing policy, current legal issues affecting central banks, and the design of Fund-supported adjustment programs. Other activities include a program of special seminars in member countries and collaboration with the training institutes of national and regional organizations.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

IMF INSTITUTE

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ⁴
Regular training program					
Courses/seminars	14	14	15	16	16
Applications received	1,220	1,429	1,371	1,435	1,500
Participants	446	424	481	490	514
Participant weeks	4,168	4,223	4,894	5,026	4,916
Teaching sessions by staff of IMF Institute ¹	839	974	1,356	1,387	1,360
Teaching sessions by others ²	286	359	444	571	560
External training program					
Seminars	3	4	5	2	6 ³
Participant weeks	125	164	375	106	310

¹Lectures, workshops, seminars, and counseling sessions.

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

³Includes 2 seminars postponed from previous year.

⁴Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the Institute gave 14 courses (13 in 1986): 3 on Financial Analysis and Policy (1 in Arabic, 1 in English, and 1 in French); 3 on Techniques of Economic Analysis (1 in Arabic, 1 in English, and 1 in Spanish); 2 on Financial Programming and Policy (1 in English, 1 in Spanish); 2 on Public Finance (1 in English, 1 in French), in cooperation with the Fiscal Affairs Department; 2 on Balance of Payments Methodology (1 in English, 1 in Spanish), in cooperation with the Bureau of Statistics; 1 on Government Finance Statistics (in English), in cooperation with the Bureau of Statistics; and 1 on Money and Banking Statistics (in English), in cooperation with the Bureau of Statistics. In addition, the Institute presented 2 seminars at headquarters (2 in 1986) and 2 seminars in member countries (5 in 1986), as follows: 1 on Budgeting and Expenditure Control (in Spanish), in cooperation with the Fiscal Affairs Department, and 1 on the Role of the Fund in the International Monetary System (in English); and 2 external seminars on Financial Analysis and Programming, held, respectively, in

the Lao People's Republic and Sierra Leone. In total, 490 participants selected from 1,400 applicants attended the courses and seminars at headquarters (481 participants in 1986 from 1,371 applicants). A total of 53 (206) participants attended external seminars and courses organized by the Institute.

The scope of the training program in CY 1987 was similar to that in CY 1986, except for an extensive revision of teaching materials for the Techniques of Economic Analysis course. New and extensively updated workshop papers and course materials were prepared for the Financial Analysis and Policy and the Financial Programming and Policy courses, and country-specific workshop materials were prepared for lecturing assistance to regional training institutions and for external seminars. The audio-visual program included the taping of 4 technical lectures and 2 panel discussions on recent adjustment experience in Ghana and Saudi Arabia.

WORK PROGRAM IN FINANCIAL YEAR 1989

In addition to the 2 courses which commenced in FY 1988, the Institute plans to offer 15 courses and 3 seminars at headquarters, and 5 seminars in member countries in FY 1989. Those at headquarters will include: 2 courses on Techniques of Economic Analysis (1 in Arabic, 1 in English); 2 courses on Financial Analysis and Policy (1 in Arabic, 1 in English); 3 courses on Financial Programming and Policy (1 in English, 1 in French, and 1 in Spanish); 2 courses on Balance of Payments Methodology (1 in English, 1 in French); 3 courses on Public Finance (1 in English, 1 in French, and 1 in Spanish); 2 courses on Money and Banking

Statistics (1 in French, 1 in Spanish); 1 course on Government Finance Statistics (in Spanish); 1 seminar on Current Legal Issues Affecting Central Banks (new) (in English); 1 seminar on Central Banking (in English); and 1 seminar on The Design of Fund-Supported Adjustment Programs (in English). External training will encompass 5 seminars on Financial Analysis and Programming, ranging from two to three weeks.

No increase in the staff ceiling is proposed for FY 1989. Total manpower available is estimated to decrease by 0.4 man-years to 69.6 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

LEGAL DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	1,690	1,597	1,659	+ 62	3.9
Other personnel expenses	1,200	1,007	933	- 74	- 7.4
Business travel	102	128	132	+ 4	3.1
Other travel	124	130	145	+ 15	11.5
Data processing	62	185	75	-110	-59.5
Other administrative expenses	481	511	629	+118	23.1
Total	3,659	3,558	3,573	+ 15	0.4

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	8	11	15	34	+1	7	13	15	35
Effective manpower estimates ¹	7.2	9.8	12.2	29.2	+3.1	7.0	11.8	13.5	32.3
Economist and Summer Intern Programs	—	—	—	—	+0.3	—	0.3	—	0.3
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	0.2	5.4	5.6	- 1.4	—	0.5	3.7	4.2
Overtime	—	—	0.5	0.5	—	—	—	0.5	0.5
Total effective manpower	7.2	10.0	18.1	35.3	+2.0	7.0	12.6	17.7	37.3

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

LEGAL DEPARTMENT
Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986 ¹	1987	1988 ²
Board Documents Prepared					
Of Which:					
Legal only	21	16	22
Jointly—other departments	40	55	65
Consulting capacity	214	218	220
Article IV reports reviewed ²	85	75	85
Written legal opinions / <i>Reviewed 1,450</i>	713	1,171	1,450
Laws drafted	12	17	20
Laws reviewed/revised	36	34	40

¹First year for which statistics were maintained.

²In addition to those cleared by the department in a consulting capacity.

³Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

During 1987, the work load of the department increased, covering practically all areas of the Fund's activities. The department prepared 71 (61) documents for Board consideration and 1,171 (713) written legal opinions, of which 80 (96) were for management and Executive Directors. In the area of general legal issues, papers and decisions were prepared on (i) suspension of membership; (ii) postponement of repurchases; (iii) payment of charges in domestic currency; and (iv) the Enhanced Structural Adjustment Facility (ESAF). Work continued on the preparation of papers on (i) the effects of approval of exchange restrictions and (ii) the establishment of an Administrative Tribunal for the Fund. Papers and advice were also prepared on: (i) the Fund's financial structure and operations,

including the creation of the Special Contingent Account; (ii) the creation of Trust Accounts for the benefit of Somalia and Bolivia; (iii) the exercise of surveillance over exchange rate policies; and (iv) the Ninth General Review of Quotas. In addition, the department provided legal advice on administrative matters, especially concerning the Fund's external contracting, issues related to the Staff Retirement Plan, and staff grievances.

The department continued to provide technical assistance on central banking and fiscal legislation; in this respect the department drafted 17 (12) laws and reviewed and revised 34 (36) laws for 19 (16) countries. The number of overseas trips for technical assistance purposes, including UNCITRAL and ECOSOC, was 15 (13) in 1987.

WORK PROGRAM IN FINANCIAL YEAR 1989

In FY 1989, an increased work load is expected. Among the major items that will require intensive attention are: (i) the implementation and activation of the ESAF, including the borrowing agreements, the operation of the Accounts within the Trust, and country documentation; (ii) the examination of the effects of approval and nonapproval of exchange restrictions, and subsequent consideration by the Executive Board of an authoritative interpretation of Article VIII, Section 2(b); (iii) the review and possible reform of the Fund's facilities, including the CFF, the EFF, the proposed contingency mechanism, together with the guidelines on conditionality and the formulation of performance criteria and other modalities; (iv) the adaptation of the financial structure of the Fund, including review and implementation of burden sharing, re-examination of the Special Contingent Account, and other measures related to overdue obligations to the Fund; (v) the legal aspects of the Ninth General Review of Quotas, including the continuation of the review beyond March 1988, the treatment of members in arrears, and the formulation of a resolution for adoption by the Board of Governors; (vi) the legal issues related to surveillance

under Article IV, including the determination of the Fund's powers, the use of indicators, and possible amendment of the Principles and Procedures of Surveillance; (vii) new aspects of the debt situation, including the establishment of further trust accounts at the request of members, and the possible involvement of the Fund in other financial innovations; (viii) the drafting of a charter for an Administrative Tribunal and, if adopted, the procedures for its establishment and operation; and (ix) organization of a seminar for legal advisors of central banks on current legal issues. Country work will remain heavy in FY 1989, especially the operation of the ESAF, which will require new documentation and the resolution of new issues. Technical assistance will continue at a high level, based on present and expected requests. It is expected that administrative legal issues will also make increasing demands on the department.

It is proposed to replace 1 senior position with a counsellor position and to add an additional counsellor position to help alleviate the increased work load related to general legal issues. Total manpower available to the department is estimated to increase by 2.0 man-years to 37.3 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

MIDDLE EASTERN DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	2,750	2,784	2,828	+ 44	1.6
Other personnel expenses	2,009	1,784	1,681	-103	- 5.8
Business travel	587	717	742	+ 25	3.5
Other travel	284	216	305	+ 89	41.2
Data processing	123	73	106	+ 33	45.2
Other administrative expenses	502	552	624	+ 72	13.0
Total	6,255	6,126	6,286	+160	2.6

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	3	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
Total staff ceiling	11	19	14	44	—	10	20	14	44
Resident representative ceiling	1	1	—	2	—	1	1	—	2
Effective manpower estimates ¹	12.0	19.6	13.4	45.0	+0.1	11.0	20.6	13.5	45.1
Economist and Summer Intern Programs	—	1.5	—	1.5	+1.0	—	2.5	—	2.5
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	1.0	1.2	2.2	-0.1	—	0.5	1.6	2.1
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
Total effective manpower	12.0	22.1	14.7	48.8	+1.0	11.0	23.6	15.2	49.8

¹The 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 18 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these countries,

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 and provides technical and policy assistance to some of these organizations.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

MIDDLE EASTERN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ⁸
Member countries	18	18	18	18	18
Countries using Fund resources ¹	1	1	—	1	...
Consultation missions	14	13	15	12	16
of which, also concerned					
with use of Fund resources (UFR)	(—)	(2)	(3)	(5)	(6)
Staff trips on operations and					
relations with member countries ²	71	77	77	94	98
New programs approved ³	1	—	—	1	3
Programs continuing ⁴	—	—	—	—	—
Program months ⁵	2	—	—	7.5	16
SAF programs approved	—	—	—	—	2
SAF program months	—	—	—	—	12
Staff reports prepared ⁶	...	...	24	22	31
Article IV Consultations	(...)	(...)	(11)	(11)	(13)
Article IV Consultations and UFR	(...)	(...)	(1)	(—)	(2)
Recent Economic Developments	(...)	(...)	(12)	(11)	(15)
Use of Fund resources ⁷	(...)	(...)	(—)	(—)	(1)

¹Excluding reserve tranche purchases.

²A9-B5 trips only.

³Programs approved in the calendar year; excludes SAF programs.

⁴Including extended arrangements.

⁵Cumulative period over which stand-by and extended arrangements were in effect during each calendar year.

⁶Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

⁷Major UFR reports only; excluding special facilities (CFF and BSFF).

⁸Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department conducted 19 (18) missions. There were 12 (15) Article IV consultation missions, of which 5 (3) were also concerned with the use of Fund resources. In addition, there were 7 (3) missions conducted specifically to discuss the use of Fund resources. Fifteen (20) special missions and visits were also organized by the department, including discussions with one member country about an economic reform program that led to a resource mobilization effort and the convening of a mini-consultative group chaired by the World Bank. SAF-related

issues were covered during consultation discussions with 3 countries and 5 discussions were held with country officials at headquarters. In addition to the traditional coverage of oil and oil-related developments and studies on Islamic banking, the department conducted several studies, including the policy implications of foreign currency deposits.

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

WORK PROGRAM IN FINANCIAL YEAR 1989

The growing economic difficulties in most of the countries 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 programs or shadow programs will occur with most 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.

It is proposed to downgrade 1 vacant senior position to an economist position. Total manpower available to the department is estimated to increase by 1.0 man-year to 49.8 man-years. Included in the total are 2 resident representative positions which the department will continue to utilize during the coming year.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

RESEARCH DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,658	4,688	4,893	+ 205	4.4
Other personnel expenses	3,033	2,729	2,550	- 179	- 6.6
Business travel	257	390	403	+ 13	3.3
Other travel	634	543	578	+ 35	6.4
Data processing	1,626	954	609	- 345	-36.2
Other administrative expenses	727	784	901	+117	14.9
Total	10,935	10,088	9,934	- 154	- 1.5

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	8	4	7	19	+3	9	4	9	22
Commodities Division	1	13	4	18	-1	1	13	3	17
Current Studies Division	1	10	3	14	+1	1	11	3	15
Developing Country Studies Division	1	9	2.5	12.5	-0.5	1	9	2	12
External Adjustment Division	1	9	2.5	12.5	-0.5	1	9	2	12
Financial Studies Division	1	7	3	11	—	1	7	3	11
Total staff ceiling	13	52	22	87	+2	14	53	22	89
Effective manpower estimates ¹	12.4	46.8	18.0	77.2	+4.4	13.5	48.5	19.6	81.6
Economist and Summer Intern Programs	—	5.0	—	5.0	-0.2	—	4.8	—	4.8
Consultants	4.4	—	—	4.4	+0.1	4.5	—	—	4.5
Temporary Assistance	—	1.7	6.0	7.7	-2.7	—	0.5	4.5	5.0
Overtime	—	—	0.5	0.5	+0.2	—	—	0.7	0.7
Total effective manpower	16.8	53.5	24.5	94.8	+1.8	18.0	53.8	24.8	96.6

¹The 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.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

RESEARCH DEPARTMENT
Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Policy papers	21	41	40	31	35
Operational papers on special facilities	15	12	9	15	15
Departmental memoranda	25	30	38	47	50
Articles in <i>Staff Papers</i>	9	16	16	15	15
Participation in country missions	23	24	16	26	30
Participation in official meetings	17	18	15	26	26
Participation in other conferences (staff members)	28	47	89	90	90

¹Projection

WORK PROGRAM IN CALENDAR YEAR 1987

In CY 1987, the department prepared analyses of developments and prospects in the world economy for presentation to the Board in March and September and published four staff studies for the WEO in the series of "World Economic and Financial Surveys". In addition, supporting analytical material was prepared for meetings of the G-7, as well as for briefings of officials of member countries and participation in meetings of other organizations such as the OECD. Staff resources were also devoted to the preparation of the Managing Director's statements on the world economic situation and policy issues which were presented during the Annual Meetings and Interim Committee meetings.

During the year, 12 policy studies and reports were prepared on issues relating to the functioning of the international monetary system, including the review of surveillance guidelines, use of indicators in multilateral sur-

veillance, the role of commodity prices as an indicator, issues in the debt strategy, and the role of the SDR. Staff also participated in discussions at the OECD on issues relating to international policy coordination and the outlook for the international economy.

The work program in the commodities area was dominated by the review of the Compensatory Financing Facility (CFF). In addition to 15 operational papers relating to drawings under the CFF, a total of 8 papers and appendix studies were prepared in connection with the review of the CFF and the possible establishment of an external contingency mechanism.

Other research work concentrated on the debt strategy, monetary and exchange rate policy, analysis of the international effects of tax reforms, the currency composition of foreign exchange reserves, the role of structural policies in industrial countries, and Islamic banking.

WORK PROGRAM IN FINANCIAL YEAR 1989

Work related to the analysis of world economic conditions and prospects is likely to increase in FY 1989, largely on account of the additional attention being devoted to disaggregated medium-term scenarios. In response to requests by the Board, the Interim Committee, the G-7, and management, the small model (MINIMOD), previously used for simulation and analysis of economic development in the three largest countries, is being expanded into a model (MULTIMOD) with a larger number of country blocks, including groups of developing countries. This will provide the opportunity to analyze behavioral relationships between a larger number of country groups. Further work is also planned on the more systematic use of economic indicators.

The department will continue to give substantial attention to the functioning of the international monetary system, especially to questions related to the exchange rate regime, the scope for exchange market intervention, the implications of international financial integration, and techniques for policy coordination, including the use of indicators. Discussions on reform of the system are expected to continue in international fora such as the G-10, the OECD, and the G-24.

In FY 1989, the major re-examination of Fund programs will continue, focusing on key empirical issues concerned with the design and evaluation of economic adjustment programs. The studies to be undertaken will include the type and number of performance criteria, the determinants of growth in developing countries, and the optimal speed of adjustment, and the implications for the scale and mix of financing. A series of studies will also examine the effectiveness of past adjustment programs in order to develop alternative approaches for future program design.

Resources will continue to be devoted to policy issues associated with the possible establishment of an external contingency mechanism, as well as to studies on the exchange rate system, structural policies in industrial countries, the debt situation, and international aspects of fiscal policies.

It is proposed to add 1 senior level position and 1 economist position to assist with general research, work load stemming from G-7 meetings, and the development of forecasting models. Total manpower available to the department is estimated to increase by 1.8 man-years to 96.6 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

SECRETARY'S DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,170	4,336	4,407	+ 71	1.6
Other personnel expenses	3,051	2,777	2,490	-287	-10.3
Business travel	116	156	159	+ 3	1.9
Other travel	235	233	245	+ 12	5.2
Data processing	1,469	555	795	+240	43.2
Other administrative expenses	1,346	1,645	1,789	+144	8.8
Total	10,387	9,702	9,885	+ 183	1.9

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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	—	1	2	25	28
Executive Board Proceedings Division	1	10	5	16	—	1	10	5	16
Records Division	1	8	16	25	-1	1	8	15	24
Total staff ceiling	8	27	64	99	-1	8	27	63	98
Effective manpower estimates ¹	8.0	25.2	63.8	97.0	-1.4	8.0	25.2	62.4	95.6
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	+1.0	1.0	—	—	1.0
Temporary Assistance	—	4.0	8.8	12.8	-0.2	—	3.5	9.1	12.6
Overtime	—	—	5.7	5.7	+0.3	—	—	6.0	6.0
Total effective manpower	8.0	29.2	78.3	115.5	-0.3	9.0	28.7	77.5	115.2

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

SECRETARY'S DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ²
Meetings serviced ¹ (hours)	225 (523)	232 (569)	270 (652)	239 (567)	241 (572)
Minutes processed (pages in thousands)	226 (6.3)	239 (7.7)	262 (9.3)	232 (9.0)	240 (8.1)
Cables processed (thousands)	145.2	151.4	159.4	170.3	180.0
Incoming and outgoing mail (millions)	2.3	1.7	1.5	1.8	2.0
Facsimile processed (thousands)	17.2	40.1	55.7	112.9	170.0
Documents processed (thousands)	4.0	4.3	4.8	4.6	4.8
Documents service requests (thousands)	931.8	966.2	1,009.2	983.3	1,000.0

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

²Projection based on average of CY 1984-CY 1987.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department's efforts were directed to responding to the requirements created by the sustained activities of the policy-making bodies of the Fund. The principal focus of the Immediate Office was on 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. The department continued to direct its resources towards the support of the increasing work load of the Fund as a whole, including the preparation and distribution of docu-

ments, the administration of Central Files and records services, the handling of an increasing volume of correspondence, cables, and facsimile, the preparation of records of meetings, the continuing implementation of several EDP projects, strengthening security, and providing services for Executive Directors. The number of Executive Board meetings decreased in 1987 (239), from the level reached in 1986 (270) and that decline contributed to the reduction in the backlog of minutes. The department continued to expand its collaboration activities with the World Bank and also provided a wide range of services to the Spring meeting of the Interim and Development Committees and the Annual Meetings of the Boards of Governors.

WORK PROGRAM IN FINANCIAL YEAR 1989

The intense level of activity of the policy-making bodies of the Fund is likely to be sustained through FY 1989. The department aims to maintain the quality of its support for those bodies. The implementation of several EDP projects in the communications and documents storage and retrieval fields will be continued while further attention will be given to efforts in the area of information and data security.

The staff ceiling will fall by one due to the transfer of one position from the Records Division to the Joint Library in FY 1989. Total manpower available to the department is estimated to decrease by 0.3 man-years to 115.2 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

TREASURER'S DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,739	6,010	6,275	+265	4.4
Other personnel expenses	4,176	3,924	3,597	-327	-8.3
Business travel	135	149	154	+5	3.4
Other travel	504	530	564	+34	6.4
Data processing	3,272	2,148	1,671	-477	-22.2
Other administrative expenses	1,826	1,889	2,056	+167	8.8
Total	15,652	14,650	14,317	-333	-2.3

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	2	8	15	—	5	2	8	15
Accounts and Financial Reports Division	1	16	4	21	—	1	16	4	21
Administrative Expenditures Division	1	15	24	40	—	1	15	24	40
Financial Relations Division	1	8	6	15	—	1	9	5	15
Operations Division for General Resources	1	14	5	20	+1	1	14	6	21
Operations Division for SDRs and Administered Accounts	1	8	4	13	-1	1	7	4	12
Special Operations and SDA Division	1	5	3	9	+1	1	6	3	10
Total staff ceiling	11	68	54	133	+1	11	68	55	134
Effective manpower estimates ¹	11.0	61.2	47.8	120.0	+3.2	11.0	62.2	50.0	123.2
Economist and Summer Intern Programs	—	1.0	—	1.0	+0.3	—	1.3	—	1.3
Consultants	0.2	—	—	0.2	+0.4	0.6	—	—	0.6
Temporary Assistance	—	1.6	10.7	12.3	-1.5	—	0.5	10.3	10.8
Overtime	—	—	0.7	0.7	+0.3	—	—	1.0	1.0
Total effective manpower	11.2	63.8	59.2	134.2	+2.7	11.6	64.0	61.3	136.9

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

TREASURER'S DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ³
Papers requiring Board consideration	87	102	126	118	130
Information papers and periodic reports	163	186	122	120	110
Operational transfers and other communications: ¹					
General Resource Account	11,176	13,170	16,440	17,800	19,500
SDR Account	5,850	6,100	6,600	7,100	7,800
Administered Accounts	1,000	1,250	950	550	800
Members with overdue obligations	46	53	64	62	
Total late payments (millions of SDRs)	678	1,256	2,152	2,303	—
As a percent of total obligations due	11	15	21	18	—
Administrative matters (transactions, vouchers, and authorizations) ²	46,703	49,995	69,180	63,124	66,300
Accounting—processing and audit items	42,600	47,478	58,100	62,500	67,500

¹Excludes exchange rate cables which average 17,000 a year.

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

³Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

The operational and accounting work load of the department continued to grow in 1987, though in some cases at a somewhat slower rate than in previous years, as repurchases and associated repayments reached a peak and operations in connection with the Trust Fund (and SFF Subsidy Account) slackened. Overall, the volume of financial operations and transactions increased by 9 percent in 1987. The number of countries in arrears declined slightly to 62 at the end of 1987 from 64 in 1986, and total late payments as a percentage of total obligations due fell slightly from 21 percent to 18 percent, although the value of late payments rose to SDR 2.3 billion in 1987 (SDR 2.15 billion). The level of activity in the accounting area also rose, while the volume of administrative payments declined, reflecting gains from automation.

Work in the policy area continued at a high level. The reduction in the number of papers requiring Board consid-

eration (from 126 in 1986 to 118 in 1987) reflected a streamlining of procedures regarding the handling of overdue obligations. Work in connection with the SAF, the establishment of the financial arrangements for the ESAF, and the start of work on the Ninth General Review of Quotas, added to the policy work load of the department. Work on the role of the SDR in the international monetary system was steady, while there was an increase in the work load in relation to the Fund's financial position which required a series of papers for the Executive Board. The preparation of papers on the Fund's liquidity position, borrowing, developments in the foreign exchange and gold markets, and the review of instruments used in Fund borrowing arrangements, as well as a review of investment policies regarding the Borrowed Resources Suspense Accounts and the SFF Subsidy Account also absorbed considerable resources.

WORK PROGRAM IN FINANCIAL YEAR 1989

An increasing proportion of the department's resources in FY 1989 will be absorbed by the handling of overdue financial obligations, including preventive action, the assessment of members' capacity to repay, prolonged use of the Fund's resources and valuation of currencies (and SDRs) paid to the Fund past the due date. A priority for the department will be the implementation of the financial arrangements of the ESAF, including the ESAF Subsidy Account, and the determination of the policy for investment of the assets held in connection with the ESAF operations. The department will also concentrate on reviews of the Fund's income position, including particularly the financial effects of overdue obligations, the review of the burden sharing decision and further analyses of the Special Contingent Account, and the rate of charge on the use of the Fund's ordinary resources. Other areas of increased work

load in FY 1989 include the Ninth General Review of Quotas, a review of the Fund's liquidity position and borrowing needs, (in the context of a possible revitalization of the Extended Fund Facility), a review of the role of the SDR, including its position in the management of members' reserves and measures to improve its liquidity and usability, and analyzing the development of new financial instruments in the money and foreign exchange markets.

The volume of financial operations and transactions is expected to increase by approximately 15 percent over FY 1988, while some increase is also expected in the volume of administrative payments.

It is proposed to add 1 operations officer to meet the need for assistance in the implementation of the ESAF. Total manpower available to the department is estimated to increase by 2.7 man-years to 136.9 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

WESTERN HEMISPHERE DEPARTMENT

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	6,193	5,899	6,168	+269	4.6
Other personnel expenses	4,784	4,211	3,931	-280	- 6.6
Business travel	939	1,038	1,073	+ 35	3.4
Other travel	601	596	619	+ 23	3.9
Data processing	222	241	271	+ 30	12.5
Other administrative expenses	1,127	1,191	1,323	+132	11.1
Total	13,866	13,176	13,385	+209	1.6

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	2	12	23	-1	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	7	2	10	+1	1	8	2	11
Maritime Division	1	6	2	9	—	1	6	2	9
Mexico/Latin Caribbean Division	1	4	2	7	+1	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
Total staff ceiling	18	55	33	106	+1	18	56	33	107
Resident representative ceiling	—	7	—	7	-1	—	6	—	6
Effective manpower estimates ¹	16.5	60.2	30.6	107.3	-0.7	16.5	60.1	30.0	106.6
Economist and Summer Intern Programs	—	8.1	—	8.1	+1.4	—	9.5	—	9.5
Consultants	0.1	—	—	0.1	+0.1	0.2	—	—	0.2
Temporary Assistance	—	0.2	1.9	2.1	+2.9	—	—	5.0	5.0
Overtime	—	—	0.5	0.5	—	—	—	0.5	0.5
Total effective manpower	16.6	68.5	33.0	118.1	+3.7	16.7	69.6	35.5	121.8

¹ 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 34 member countries in the area, to assist in the formulation and execution of Fund policies in relation to these countries,

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 1989 BUDGET BY UNIT OF ORGANIZATION

WESTERN HEMISPHERE DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ^a
Member countries	34	34	34	34	34
of which, G-7 countries	(2)	(2)	(2)	(2)	(2)
Countries using Fund resources ¹	12	10	12	9	...
Consultation missions	32	34	30	33	31-33
of which, also concerned with use of Fund resources (UFR)	(15)	(15)	(10)	(11)	(10-20)
Staff trips on operations and relations with member countries ²	233	268	245	218	296
New programs approved ³	5	7	3	4	3-8
Programs continuing ⁴	10	9	10	3	7
Program months ⁵	138	137	103	78	165
SAF programs approved	—	—	3	—	3-5
SAF program months	—	—	2	36	57
Staff reports prepared ⁶	...	...	61	65	76
Article IV Consultations	(...)	(...)	(19)	(24)	(14)
Article IV Consultations and UFR	(...)	(...)	(8)	(5)	(19)
Recent Economic Developments	(...)	(...)	(27)	(29)	(33)
Use of Fund resources ⁷	(...)	(...)	(7)	(7)	(10)

¹Excluding reserve tranche purchases.

²A9-B5 trips only.

³Programs approved in the calendar year; excludes SAF programs.

⁴Including extended arrangements.

⁵Cumulative period over which stand-by and extended arrangements were in effect during each calendar year.

⁶Reports on consultations concluded and requests for, and reviews of, use of Fund resources made in the calendar year.

⁷Major UFR reports only; excluding special facilities (CFF and BSFF).

⁸Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the department conducted 83 missions (94 in 1986). Thirty-three (30) of these were Article IV consultations, of which 11 (10) also dealt with the use of Fund resources. There were 18 (19) missions relating solely to the use of Fund resources and 11 (20) staff visits and technical assistance missions, including participation in World Bank missions. In addition, the staff participated in 21 (25) 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. Staff members also attended meetings of several international and regional organizations.

With regard to the use of Fund resources, there were 8 (10) countries with stand-by arrangements, 1 (2) with EFF arrangements and 3 (3) with SAF arrangements that became effective or were continued in 1987. In addition, the Fund continued with enhanced surveillance for Venezuela and a similar arrangement became effective for Uruguay. Six (10) countries made drawings under stand-by and extended arrangements, and 3 (4) countries made drawings under the Fund's special facilities, including the SAF.

WORK PROGRAM IN FINANCIAL YEAR 1989

A majority of the member countries of the department can be expected to continue to confront serious economic difficulties and thus will require a great deal of staff attention. As a result of the ESAF and the experience in recent years, it is estimated that a high proportion of the member countries will either be under a financial or a special arrangement with the Fund, or at various stages of discussions concerning possible arrangements with the Fund. For those countries that do not require financial assistance from the Fund but require its involvement to obtain financing arrangements with commercial banks, the Fund will continue to monitor their performance under "enhanced" Article IV consultations. Given the heavy debt burdens of mem-

ber countries, relations with other private and official creditors of member countries will continue to represent a significant part of the department's work load. Collaboration with the World Bank, inter alia, in the implementation of the ESAF is also expected to increase.

It is proposed to add one economist position to assist with the work load. Total manpower available to the department is estimated to increase by 3.7 man-years to 121.8 man-years. Included in the total are 6 resident representative positions which the department will utilize in the coming year. The post in the East Caribbean Currency Countries closed in mid-January, 1988.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF COMPUTING SERVICES

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 ¹ Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	7,040	7,916	7,907	- 9	- 0.1
Other personnel expenses	2,741	2,459	2,269	-190	- 7.7
Business travel	86	128	132	+ 4	3.1
Other travel	364	372	385	+ 13	3.5
Data processing	3,427	5,716	5,005	-711	-12.4
Other administrative expenses	940	1,009	1,146	+137	13.6
Total	14,598	17,600	16,844	- 756	- 4.3

¹ Effective May 1, 1987, mainframe overhead charges are now allocated to BCS to reflect the decision made by ECCS to adopt a revised chargeback method for mainframe computer costs.

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	4	5	13		4	2	3	9
Computer Facilities and Operations Division	1	10	5	16		1	8	2	11
Systems Development A Division	1	10	2	13		—	—	—	—
Systems Development Division ²	—	—	—	—		1	13	2	16
Systems Development B Division	1	8	2	11		—	—	—	—
Systems Production Division ³	—	—	—	—		1	17	9	27
User Support Division	1	4	5	20		—	—	—	—
Systems Resources and Control Division ⁴	—	—	—	—		1	6	4	11
Total staff ceiling	8	46	19	73	+1	8	46	20	74
Effective manpower estimates ¹	8.0	46.0	17.9	71.9	+ 2.1	8.0	46.0	20.0	74.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Contractual EDP Assistance	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	105.2	2.9	108.1	-7.1	—	100.0	1.0	101.0
Overtime	—	—	1.7	1.7	+ .1	—	—	1.8	1.8
Total effective manpower	8.0	151.2	22.5	181.7	-4.9	8.0	146.0	22.8	176.8

¹The differences between staff ceilings and effective manpower reflect estimated vacancies.

²In FY 1988 shown as Systems Development A Division.

³In FY 1988 shown as Systems Development B Division.

⁴In FY 1988 shown as User Support Division.

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 and control functions.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF COMPUTING SERVICES

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ²
Capacity of mainframe computers (MIPS) ¹	16.8	57.1	57.1	49	50
Number of workstations connected to mainframes and minicomputers	500	800	800	1,240	1,500
Number of terminals	350	660	780	470	450
Number of microcomputers	200	570	790	1,200	1,360
Number of word processors	275	440	490	530	530
Number of installations/repair calls	2,312	3,867	4,373	4,400	4,600
Number of software consultations	—	3,800	9,500	11,000	12,700
Number of staff members in training	—	—	75	84	151

¹Millions of instructions per second.

²Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, four new systems were introduced and are in the process of implementation and enhancement: the Economist Workstation (EWS), the cable management system, the budget and procurement system and an office system for the Executive Directors. In addition, the initial descriptions of the user requirements were completed for the new World Economic Outlook (WEO) System drawing, in part, on the Catalogue of Economic Time Series in the EWS. Progress has also been achieved in the document management area, with the installation of a microcomputer-based word processing system in the Central Banking Department (CBD) and the cable management system, with the outgoing message portion becoming operational. In the area of capital resource management, two projects, the facilities space management and the property administration systems, were initiated, with portions of both expected to be operational in FY 1989.

Achievements in the area of production and system support included extensions to the Fund's computer communications network (FUNDLAN), the promulgation of Fund-wide standards for the acquisition and use of micro-

computers, an enhanced planning support for user departments, and increases in IBM mainframe capacity through the acquisition of additional disk drives, the implementation of new job scheduling software, and the installation of a minicomputer in support of mainframe operations.

Monitoring and control of the Fund's computing resources and EDP projects improved through the establishment of a number of technical and project management efforts. Included were disaster recovery and security procedures, a system to identify actual or potential problems in the Fund's data communications network, and system performance measurement procedures. In particular, an intensive project was undertaken to identify the sources of IBM mainframe utilization and to increase the efficiency of system operations.

In line with the review procedures mentioned above, both the Economist Information System (EIS) and the Treasurer's Integrated Financial System (TIFS) were reviewed by an outside consultant; the recommendations are now being reviewed by management.

WORK PROGRAM IN FINANCIAL YEAR 1989

Major objectives of the department for FY 1989 are to complete the systems development efforts currently under way, strengthen user and system support capabilities, and expand the use of managerial planning and control mechanisms. In addition, the evolutionary development of EWS will continue in order to satisfy economists' analytical and reporting needs. One-on-one assistance to help economists create country desk data bases will be provided and it is expected that these data bases will contribute to the operation of the current WEO system, and facilitate the development of the replacement system now under consideration.

The work plan for document production and management activities includes the installation of up-to-date microcomputer-based word processing facilities in two departments; continuation of the installation of desktop work-

stations to provide integrated computing facilities to the staff of the OED; incorporation of the capability to process incoming message traffic into the cable room system; automating the BLS document tracking and translation system and expanding departmental access to the Fund-wide communications network. In the administrative area, the administrative expenditures system, which handles procurement payments, will be progressively transferred from outdated equipment to the IBM mainframe and the feasibility of a new transportation information management system will be investigated.

It is proposed to add one secretarial position (conversion of a temporary SCF position) to support the System Resources and Control Division. The total manpower available will fall by 4.9 man-years to 176.8 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF LANGUAGE SERVICES

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	4,281	4,110	4,332	+ 222	5.4
Other personnel expenses	3,008	2,687	2,379	- 308	- 11.5
Business travel	126	86	89	+ 3	3.5
Other travel	638	603	619	+ 16	2.7
Data processing	226	160	417	+257	160.6
Other administrative expenses	1,135	1,260	1,404	+144	11.4
Total	9,414	8,906	9,240	+ 334	3.8

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	1	2.5	5	8.5	-3	1	2.5	2	5.5
Arabic Section	—	2	4	6	—	—	2	4	6
Interpretation Section	—	8	1	9	—	—	8	1	9
Reference, Terminology and Documentation Section	—	3	4	7	+3	—	3	7	10
English Division	1	8.5	6	15.5	-1	1	8.5	5	14.5
French Division	1	17	14	32	-1	1	17	13	31
Spanish Division	1	11	7	19	—	1	11	7	19
Total staff ceiling	4	52	41	97	-2	4	52	39	95
Effective manpower estimates ¹	4.0	44	37.6	85.6	—	4	45	36.6	85.6
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	9.8	10.6	20.4	-0.7	—	9.8	9.9	19.7
Overtime	—	—	1.9	1.9	+0.1	—	—	2	2
Total effective manpower	4.0	53.8	50.1	107.9	-0.6	4	54.8	48.5	107.3

¹The 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 departments and (b) simultaneous, and occasionally con-

secutive, interpretation into Arabic, English, French, and Spanish, mainly for IMF Institute courses, Annual Meetings, and meetings of the Interim and Development Committees.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF LANGUAGE SERVICES

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Translation (thousand words)					
Requests received	10,815	10,808	11,162	10,214	12,028
Output by type of contract	10,233	10,907	10,016	10,747	11,875
Regular staff	6,252)	(6,447)	(6,262)	(6,825)	(7,935)
Temporary in-house	(2,420)	(2,875)	(2,285)	(2,702)	(2,755)
Outside	(1,561)	(1,585)	(1,469)	(1,220)	(1,185)
Completed but not dispatched at year-end	727	1,335	1,471	1,014	730
Interpretation (man-days)					
By BLS staff	699.5	581	610	584	723
By other	55.0	82	37	61	76

¹Projection

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, requests for translation fell by approximately 9 percent, but output rose by about 7 percent, reflecting a reduction in the backlog that had existed at the end of 1986. In terms of output, there were 10.75 million words translated in 1987 (10.02 million in 1986) with sizable increases in translation into French and Arabic which were partly offset by decreases in translation into Spanish and Portuguese.

The work load for interpretation in 1987 remained virtually unchanged from the previous year (645 man-days compared with 647 in 1986). Increases in assignments for interpretation into English and French were offset by declines in those for Arabic and Spanish. The number of requests from World Bank officials for interpretation services at meetings with officials during the Annual Meetings

nearly doubled (65 meetings in 1987 compared with 33 in 1986).

In addition to its regular work load, the bureau provided the following new services: assistance with the initial drafting and subsequent editing of correspondence and aide memoires for the Fiscal Affairs and Legal Departments; updating documents that had already been translated, mainly in connection with SAF-related papers for the African Department; and the assignment of staff members on missions to Equatorial Guinea and Sao Tome & Principe to provide on-site assistance with translation and interpretation as well as to participate in the regular work of the mission.

WORK PROGRAM IN FINANCIAL YEAR 1989

On the basis of forecasts received from departments, the demand for translation is expected to rise in FY 1989. However, in cooperation with departments, efforts will be made to eliminate, where possible, requests for translation of less-essential material. The interpretation work load is estimated to increase, mainly reflecting additional requirements for the Annual Meetings in Berlin. It is expected that the African Department will again request participation of

bureau staff in a few of its missions. Automation efforts will intensify as a major project involving machine assisted translation is planned for FY 1989, which should yield large productivity gains by the middle of FY 1990.

It is proposed to reduce the staff ceiling by eliminating 2 vacant positions. Total manpower available to the bureau is estimated to decrease by 0.6 man-years to 107.3 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF STATISTICS

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	5,772	5,574	5,773	+ 199	3.6
Other personnel expenses	4,108	3,579	3,268	- 311	-8.9
Business travel	497	590	610	+ 20	3.4
Other travel	527	621	570	- 51	-8.2
Data processing	2,664	3,313	3,001	-312	-9.4
Other administrative expenses	2,221	2,374	2,443	+ 69	2.9
Total	15,789	16,051	15,665	-386	-2.4

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	4	9	18	—	5	4	9	18
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	9	7	17	—	1	9	7	17
Government Finance Division	1	10	6	17	—	1	10	6	17
International Banking and External Debt Division	1	9	4	14	—	1	9	4	14
Total staff ceiling	10	63	43	116	—	10	63	43	116
Effective manpower estimates ¹	10.0	61.0	40.2	111.2	-0.2	10.0	61.0	40.0	111.0
Economist and Summer Intern Programs	—	2.0	—	2.0	+0.6	—	2.6	—	2.6
Consultants	0.6	—	—	0.6	+0.4	1.0	—	—	1.0
Temporary Assistance	—	—	5.4	5.4	+0.5	—	—	5.9	5.9
Overtime	—	—	1.2	1.2	-0.2	—	—	1.0	1.0
Total effective manpower	10.6	63.0	46.8	120.4	+1.1	11.0	63.6	46.9	121.5

¹The 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 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, and the World Bank in the field of economic statistics.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF STATISTICS
Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ³
Number of times series maintained (in thousands)	630	880	900	940	1,000
Number of countries with an IFS page	134	137	137	137	140
Number of countries and entities for which data are maintained	185	187	189	189	190
Number of statistical volumes published (issues)	43	43	43	43	43
Countries assisted ¹	60	64	57	53	60
Mission travel (overseas trips) ²	80	96	83	76	84

¹Number of countries visited under the program of technical assistance in statistics.

²A9-B5 staff trips only.

³Projection

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the bureau's resources were directed primarily towards maintaining the Fund's primary data base in the Economic Information System (EIS), meeting requests for technical assistance in statistics, developing statistical methodologies and producing the Fund's statistical publications. Although the number of banking centers reporting to the Fund under the International Banking Statistics (IBS) project remained at 32, considerable progress was made on improving the quality of the IBS data base and on harmonizing the IBS and BIS data and data derived from the money and banking files.

Two meetings of the International Working Group on External Debt Statistics were held in 1987 and work was completed on a joint publication by the participating international organizations, which will be issued early in 1988.

The work of the Balance of Payments Division was rearranged to increase the emphasis given to global issues and country compilation problems. In addition, the Bureau held a meeting in Paris in November, 1987, at which balance of payments compilers representing each constituency in the Executive Board addressed discrepancy-related issues.

The Bureau of Statistics, in conjunction with other

participating international organizations, continued to work on the revision of the United Nations' *System of National Accounts (SNA)*. In this connection, a meeting of experts on the external sector accounts of the *SNA* was organized by the Bureau and held at Fund headquarters in February, 1987. A meeting of experts on public sector accounts was organized in January, 1988, also at Fund headquarters. Bureau staff also participated in other meetings in connection with the *SNA* as well as those organized by the GATT and UN, to review questions on services statistics.

The bureau staff made 64 (69) visits to member countries to provide statistics technical assistance in all areas of the Bureau's activity, and also participated in 17 (14) Article IV consultation and use of Fund resources missions. In collaboration with the IMF Institute, bureau staff conducted the second course in Money and Banking Statistics (English), as well as 2 (1) courses in Balance of Payments Methodology (English and Spanish) and 1 (1) course in Government Finance Statistics (French). They also assisted regional and international organizations in 2 (2) training courses in statistics. In addition to the regular statistical publications, two Supplements to *IFS* were issued.

WORK PROGRAM IN FINANCIAL YEAR 1989

In FY 1989, the Bureau will continue to emphasize the improvement in the currentness, coverage, and quality of country data in the EIS; this objective will be facilitated by further refinements to the EIS, the continued program to enhance data integration and data sharing with other departments, as well as the implementation of economist EDP applications effected in FY 1988. The bureau will emphasize increased collaboration with area and other departments in the development of country, regional and global data as part of the effort to reduce duplicative reporting and data maintenance. Work on the revision of the *SNA* will intensify in FY 1989, with a Fund-sponsored meeting of experts on Financial Flows and Balances to be held at Fund headquarters in September, 1988. Likewise, increased attention will be given to the revision of the Fund's statistical methodologies

(the *Balance of Payments Manual* and the *Guide to Money and Banking Statistics in IFS*), while a *Guide to Real Sector Statistics* is expected to be completed.

Technical assistance in statistics will continue to be accorded a high priority, and a slight increase in the number of missions is anticipated. Publications planned for FY 1989, in addition to regular publications, will include two Supplements to *IFS*, and a *Guide to IFS*. The bureau will conduct, in collaboration with the IMF Institute, one course in Money and Banking Statistics (French), two courses in Balance of Payments Methodology (English), and one course in Government Finance Statistics (English).

No increase in the staff ceiling is proposed. Total manpower available to the bureau will increase by 1.1 man-years to 121.5 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN EUROPE

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	981	1,197	1,203	+ 6	0.5
Other personnel expenses	663	649	589	- 60	- 10.2
Business travel	45	63	65	+ 2	3.2
Other travel	46	47	49	+ 2	4.3
Data processing	4	5	35	+ 30	600.0
Other administrative expenses	459	553	623	+ 70	12.7
Total	2,198	2,514	2,564	+ 50	2.0

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	3	4	8	15	-1	3	4	7	14
Effective manpower estimates ¹	3.0	4.2	8.1	15.3	-1.3	3.0	4.0	7.0	14.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	0.4	0.4	+0.5	—	0.2	0.7	0.9
Overtime	—	—	0.1	0.1	+0.1	—	—	0.2	0.2
Total effective manpower	3.0	4.2	8.6	15.8	-0.7	3.0	4.2	7.9	15.1

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN EUROPE

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Meetings attended	193	196	180	168	175
Missions assisted	42	34	38	32	40
Headquarters staff assisted	1,020	1,090	965	1,005	1,046

¹Projection

WORK PROGRAM IN CALENDAR YEAR 1987

Relations with the OECD, EC, and BIS continued to take up the bulk of the professional staff's time. Work for the Group of Ten (G-10), for which one staff member acts as Secretary, and on debt rescheduling exercises handled by the Paris Club continued to absorb a substantial amount of manpower. Office staff were also involved in the various stages of headquarters' missions and/or projects in areas such as capital markets, trade policy, aid flows, enhancement of the SAF, and recruitment.

In the field of information, the substance and frequency of press queries and the number of visitors increased, reflecting continued interest in the activities of the Fund. The office also initiated contact with specialized press groups and nongovernmental organizations in order to explain Fund policies and activities to a wider audience than

heretofore. The volume of outside requests for lectures by the staff continued at a high level, but staffing constraints required that the office adopt a more selective approach when approving speaking engagements.

Administrative support to headquarters continued to claim a large part of the staff's time. The office provided secretarial support and made travel arrangements for a large volume of staff, 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 1989

In the coming year, attention to debt problems, the Enhanced Structural Adjustment Facility (ESAF), aid matters, finance and trade issues, and conjunctural and regional developments will take up the bulk of the staff's time. In this context, the office's contacts with OECD, EC, and BIS officials and representative bankers should increase. Work on G-10 Secretariat matters, recruitment and technical assistance, and other help to headquarters to assure Fund

representation at special meetings, the undertaking of research, the provision of administrative assistance, etc., is also expected to absorb an important share of the staff's time.

A decrease in the staff ceiling of 1 is proposed for FY 1989. Total manpower available to the office will decrease by 0.7 man-years to 15.1 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN GENEVA

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	531	632	626	- 6	- 0.9
Other personnel expenses	339	313	297	-16	- 5.1
Business travel	11	38	44	+ 6	15.8
Other travel	20	20	21	+ 1	5.0
Data processing	2	2	2	—	—
Other administrative expenses	82	108	107	- 1	- 0.9
Total	985	1,113	1,097	-16	1.4

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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 ¹	2	1.2	2.9	6.1	-0.1	2	1	3	6
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	0.3	0.3	0.6	-0.4	—	—	0.2	0.2
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
Total effective manpower	2	1.5	3.3	6.8	-0.5	2	1	3.3	6.3

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN GENEVA

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Attendance at conferences and international meetings	96	128	123	164	173
Number of reports prepared	68	89	125	128	134

¹Projection.

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, the work load of the office rose substantially. The staff attended 164 (123 in 1986) conferences and meetings of other international organizations and prepared 128 (125) reports. Work was particularly demanding on the GATT as the first four cycles of the Uruguay Round were implemented, and remained heavy in other areas as UNCTAD held its Seventh Session, ILO concluded its "High

Level Conference on Employment and Structural Adjustment", and a number of meetings of the World Food Council, EEC, and the Donor's Advisory Group du Sahel were covered by the staff. The office also attended several seminars and conferences, handled about 600 (550) requests for information, and contributed 5 (4) lectures at the GATT and other organizations' training courses.

WORK PROGRAM IN FINANCIAL YEAR 1989

The work program for FY 1989 will be more demanding than that of the current financial year. GATT activities are expected to intensify, especially with full trade negotiations developing 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, compensa-

tory 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 1989. Total manpower available is estimated to decrease slightly by 0.5 man-years to 6.3 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE OF THE INTERNAL AUDITOR

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	487	542	547	+ 5	0.9
Other personnel expenses	308	297	273	-24	- 8.1
Business travel	5	3	3	—	—
Other travel	65	81	84	+ 3	3.7
Data processing	141	125	134	+ 9	7.2
Other administrative expenses	258	244	292	+48	19.7
Total	1,264	1,292	1,333	+41	3.2

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	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 ¹	1.0	7.0	1.0	9.0	—	1.0	7.0	1.0	9.0
Consultants	0.1	—	—	0.1	+0.1	0.2	—	—	0.2
Temporary Assistance	—	1.0	0.6	1.6	—	—	1.0	0.6	1.6
Total effective manpower	1.1	8.0	2.1	10.7	+0.1	1.2	8.0	1.6	10.8

¹The 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 1989 BUDGET BY UNIT OF ORGANIZATION

OFFICE OF THE INTERNAL AUDITOR

Selected Work Load Indicators

Indicator	Calendar Years				
	1984	1985	1986	1987	1988 ¹
Audit reports	23	29	35	46	49

¹Projection

WORK PROGRAM IN CALENDAR YEAR 1987

In 1987, 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 46 audit reports were prepared in 1987 compared to 35 in 1986. Of these, 4 reports were administrative audits, 10 reports were financial systems reviews, 17 were financial transaction audits, and 2 were half-yearly reports to Management. Following up on a 1986 External Audit Committee request, the office

undertook 4 EDP audits in 1987, as part of a continuing program. The staff of the office collaborated with the External Audit Committee, enabling the external audit of the Fund to be conducted successfully. Following the departure of the 1987 External Audit Committee, the office assisted in the contract renewal negotiations for a certified public accounting firm and in the formation of the incoming Committee. The work of Internal Audit and the public accounting firm is largely the foundation upon which the external auditors base their opinion on the financial statements of the Fund.

WORK PROGRAM IN FINANCIAL YEAR 1989

Requests and suggestions from the External Audit Committee are expected to result in an expansion of the work program of the Office of the Internal Auditor. Emphasis will be placed on administrative audits, and the office will continue the gradual shift of staff resources from financial audits. This action is directed towards the goal of devoting approximately one-third of the staff resources to administrative audits, systems development reviews, and financial audits, respectively. The shift in resources will still leave coverage in the financial area that is more than adequate through the effective and increasing use of automated audit systems. Major work planned for 1989 includes the

continuing review and evaluation of new accounting and EDP procedures, revisions to audit software, and training for auditors on new computer hardware and software. Collaboration with the public accounting firm and with the External Audit Committee will also be a significant aspect of work in 1989. Reporting requirements of the Committee are expected to continue to expand and the office will play a more active role in the follow-up work on audit recommendations.

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

FY 1989 BUDGET BY UNIT OF ORGANIZATION

INVESTMENT OFFICE — STAFF RETIREMENT PLAN

Estimated Expenses

Type of expense	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	84	170	159	- 11	- 6.5
Other personnel expenses	75	89	99	+ 10	11.2
Business travel	3	15	15	—	—
Other travel	20	20	21	+ 1	5.0
Data processing	—	8	17	+ 9	112.5
Other administrative expenses	4,865	5,521	32	-5,489	99.4
Total	5,047	5,823	343	-5,480	-94.1

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	1	2	—	3	+1.0	1	2	1	4
Effective manpower estimates ¹	1.0	1.3	—	2.3	+1.7	1.0	2.0	1.0	4.0
Temporary Assistance	—	0.1	1.0	1.1	-0.9	—	—	0.2	0.2
Overtime	—	—	—	—	+0.1	—	—	0.1	0.1
Total effective manpower	1.0	1.4	1.0	3.4	+0.9	1.0	2.0	1.3	4.3

¹The 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 portfolios of each individual investment manager.

INVESTMENT OFFICE — STAFF RETIREMENT PLAN

WORK PROGRAM IN CALENDAR YEAR 1987

While the investment program for the Retirement Fund of the SRP had been effective in the financial market environment existing since 1982, it became apparent in late CY 1986 that changes needed to be implemented if the Retirement Fund was to continue to perform well in an increasingly risky capital market environment. Accordingly, an overall investment plan and specific investment strategies were developed and implemented to both improve the longer-term return potential of the SRP and reduce its risk exposure in periods of poor financial market performance.

The general investment plan incorporated specific investment and performance objectives and new asset allocation guidelines. Following the adoption of the plan by the Investment Committee, a number of significant changes were implemented in the investment structure of the SRP

portfolio. These changes included a broadening of diversification to incorporate investment in real estate and non-U.S. fixed income securities. In addition, a significant number of investment manager changes were implemented in the U.S. and non-U.S. equity sectors with the objective of reducing downside risk exposure and improving long-term performance. Further, several risk hedging techniques and strategies for the U.S. fixed income and U.S. equity sectors were developed and implemented; these strategies were particularly important in terms of the overall portfolio's return in 1987, given the very volatile and adverse market environment. A number of improvements to in-house administrative, investment and portfolio monitoring, investment strategy analysis, and performance measurement systems were also implemented.

WORK PROGRAM IN FINANCIAL YEAR 1989

In FY 1989, the work program of the Investment Office will become even more extensive. The major new areas of focus in FY 1989 will be the development of new dynamic hedging strategies and other investment approaches to improve capabilities with respect to making effective tactical asset allocation decisions and to improve on risk reduction programs that have been implemented; a study to determine the optimal investment management structure for the U.S. equity sector; the development and maintenance of

rosters of potential new managers for each of the various sectors of the Retirement Fund; the evaluation of additional avenues for effective portfolio diversification; and finally, the continued diversification of the Retirement Fund into real estate.

An increase of 1 in the staff ceiling is proposed for FY 1989 due to the conversion of a temporary SCF position. The total manpower available to the office is estimated to increase by 0.9 man-years to 4.3 man-years.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

SUPPORT GROUP¹

**Personnel Ceilings
(man-years)**

Unit	FY 1988				Change FY 1988 to FY 1989	FY 1989			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Resident Representatives & Advisors	1	29	—	30	-3	1	26	—	27
Secretarial Staff:									
Permanent Secretarial Staff ¹	—	1	13.5	14.5	—	—	1	13.5	14.5
Former Secretarial Assistants ²	—	—	14	14	—	—	—	14	14
Subtotal	—	1	27.5	28.5	—	—	1	27.5	28.5
Total staff ceiling	1	30	27.5	58.5	-3	1	27	27.5	55.5
Effective manpower estimates ³				57.8	-4.6				53.2
Other ⁴				-50.8	+3.1				-47.7
Total effective manpower ⁵				7.0	-1.5				5.5

¹Includes head of unit.

²Former 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 reflects the number of incumbents as of March 1988. The ceiling may vary during the year depending on the number of incumbents, e.g. when a former secretarial assistant joins the group, the ceiling is raised by one position; similarly the departure of an incumbent automatically reduces the ceiling by one position.

³The differences between staff ceilings and effective manpower reflect estimated vacancies.

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

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

**SUMMARY OF FUNCTIONS AND WORK PROGRAM IN CALENDAR YEAR 1987
AND FINANCIAL YEAR 1989**

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 1988 administrative budget made provision for 30 positions (31 in FY 1987), 2 of which were undesignated.

The post in the East Caribbean Currency Countries was closed in mid-January, 1988, and it is proposed to abolish the 2 undesignated posts, thereby reducing the authorized number of positions to 27 in FY 1989. A summary of assignments anticipated in FY 1989 compared with FY 1988 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 1987, this unit provided 26 man-years of secretarial support (24 man-years in 1986). However, it was necessary to supplement the Secretarial Support Group with 54 (53) man-years of temporary agency help hired on a day-to-day basis.

¹As noted on page 44, 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 27 in connection with operations and relations with member countries.

FY 1989 BUDGET BY UNIT OF ORGANIZATION

SUPPORT GROUP

Resident Representatives and Advisors

**Comparison of Anticipated Assignments in FY 1989
with Authorized Assignments in FY 1988**

Countries	FY 1988	Change FY 1988 to FY 1989	FY 1989
African Countries			
Central African Republic	Representative		Representative
Ghana	Representative		Representative
Guinea	Advisor		Advisor
Ivory Coast	Representative		Representative
Liberia	Representative		Representative
Mali	Representative		Representative
Senegal	Representative		Representative
Sierra Leone	Representative		Representative
Somalia	Representative		Representative
Togo	Representative		Representative
Uganda	Representative		Representative
Zaire	Representative		Representative
Zambia	Representative		Representative
Asian Countries			
Bangladesh	Representative		Representative
Indonesia	Representative		Representative
Nepal	Representative		Representative
Philippines	Representative		Representative
Sri Lanka	Representative		Representative
Western Samoa	Representative		Representative
Middle Eastern Countries			
Egypt	Representative		Representative
Sudan	Representative		Representative
Western Hemisphere Countries			
Bolivia	Representative		Representative
Chile	Representative		Representative
Costa Rica	Representative		Representative
East Caribbean Currency Countries	Advisor ¹	- 1	—
Haiti	Representative		Representative
Jamaica	Representative		Representative
Uruguay	Representative		Representative
Undesignated Countries			
	2 ²	- 2	—
TOTAL	30	- 3	27

¹Post closed January 15, 1988.

²Contingency provision.

Administrative Budget for FY 1989

BUDGET BY OBJECT OF EXPENSE

FY 1989 BUDGET BY OBJECT OF EXPENSE

This section of the administrative budget provides the underlying proposals for expenditure in FY 1989 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 13. This section of the document contains detailed information in support of the proposals for each budget category. It should be noted that the budget proposals exclude any provision for a general 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 1988 estimates of expenditure contained in this section reflect actual expenses through January 1988 and estimates of expected deliveries for February, March, and April.

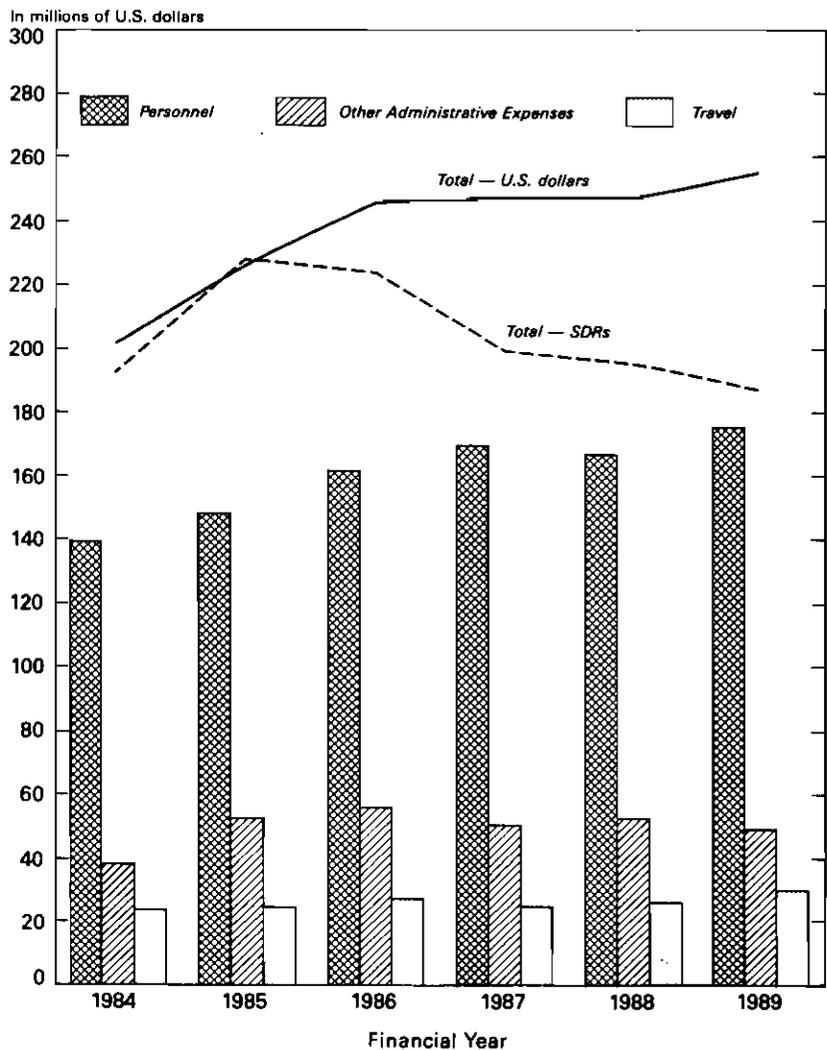
As noted in the box on page 5, there has been a significant change in the growth of administrative expenses in recent years. The chart provides a summary of the distribution and trends for personnel, travel, and other administrative expenses during the past five years.

In FY 1984, total administrative expenses were \$202.2 million. These expenses increased by 12.0 percent in FY 1985 and 8.6 percent in FY 1986, but slowed markedly to 0.5 percent in FY 1987 and are estimated to decline by 0.1 percent in FY 1988. The projected budget for FY 1989 would increase expenses by 3.4 percent after an allowance for a possible general salary adjustment estimated at \$8.0 million. The chart displays a comparison of total administrative expenses in U.S. dollars, and in terms of SDR equivalents as the administrative expenses are reported in reviews of the Fund's income position and in the Fund's financial statements. In terms of SDR equivalents, the FY 1989 budget is SDR 187.6 million which is SDR 4.3 million less than the FY 1984 budget expressed in SDRs.

Over the same period of time, there has also been a noticeable change in the pattern of expenses within the three broad expense groups. Personnel expenses (salaries and other personnel expenses) have increased from \$139.8 million in FY 1984 to an estimated \$187.2 million in FY 1988, an increase of 19.6 percent over four years, or an annual average increase of 4.7 percent per year. In FY 1988, travel expenses are estimated at \$26.7 million for an overall increase of 9.4 percent, or an average annual increase of 2.5 percent over the four year period. In FY 1989, travel expenses are expected to increase to \$30.2 million or 13.1 percent above FY 1988 estimated expenses.

Other administrative expenses which include communications, building occupancy, books and printing, supplies and equipment, data processing, and miscellaneous expenses increased from \$38.0 million in FY 1984 to \$52.9 million in FY 1988, an increase of 39.2 percent or an annual average increase of 9.9 percent. The largest increases in this group of expenses occurred within the data processing and the building occupancy categories. In FY 1989, it is estimated that other administrative expenses will decrease to \$49.5 million, a decrease of 6.4 percent.

Administrative Expense Trends
FY 1984–FY 1989



FY 1989 BUDGET BY OBJECT OF EXPENSE

(In thousands of U.S. dollars)

Object of Expense	FY 1987 Actual Expenses ¹	FY 1988			FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
		Original Budget	Revised Budget ^{2,3}	Estimated Expenses ³		Increase + Decrease -	Percent Change
I. PERSONNEL EXPENSES							
A — SALARIES							
Executive Directors, Alternates, and Advisors	4,835	4,870	5,100	5,000	5,050	+ 50	1.0
Assistants to Executive Directors	4,242	4,300	4,600	4,480	4,560	+ 80	1.8
Staff	86,236	88,460	90,630	89,870	92,130	+ 2,260	2.5
Experts and consultants	7,108	8,000	6,800	6,610	8,050	+ 1,440	21.8
Total	102,421	105,630	107,130	105,960	109,790	+ 3,830	3.6
B — OTHER PERSONNEL EXPENSES							
Dependency allowances	3,485	3,530	3,580	3,450	3,490	+ 40	1.2
Settlement allowances and grants	6,874	7,200	8,500	8,390	7,045	- 1,345	- 16.0
Overseas allowances	2,588	2,610	3,000	2,910	3,080	+ 170	5.8
Children's education allowances	2,363	2,705	2,800	2,740	3,030	+ 290	10.6
Study allowances and training	980	1,405	1,200	1,100	1,305	+ 205	18.6
IMF Institute living allowances	829	900	900	900	1,050	+ 150	16.7
Tax allowances	11,458	12,030	11,300	11,100	10,450	- 650	- 5.9
Retirement contributions	30,658	18,710	19,460	19,210	20,120	+ 910	4.7
Termination incentives	2,745	5,830	5,700	5,660	1,500	- 4,160	- 73.5
Health benefits	4,739	4,895	4,900	4,720	5,455	+ 735	15.6
Life insurance and death benefits	125	140	200	170	195	+ 25	14.7
Social and welfare expenses	274	275	300	290	290	-	-
Food services	603	600	600	600	730	+ 130	21.7
Total	67,720	60,830	62,340	61,240	57,740	- 3,500	- 5.7
Total Personnel Expenses	170,141	166,460	169,470	167,200	167,530	+ 330	0.2
II. TRAVEL EXPENSES							
C — BUSINESS TRAVEL							
Meetings of Governors	1,485	1,650	1,580	1,580	3,740	+ 2,160	136.7
Other business travel	12,064	12,800	12,900	12,900	13,400	+ 500	3.9
Total	13,549	14,450	14,480	14,480	17,140	+ 2,660	18.4
D — OTHER TRAVEL							
Settlement travel	4,852	5,140	5,200	5,150	5,500	+ 350	6.8
Home leave travel	5,106	5,200	5,160	4,900	5,300	+ 400	8.2
Miscellaneous travel	2,126	2,220	2,200	2,160	2,290	+ 130	6.0
Total	12,085	12,560	12,560	12,210	13,090	+ 880	7.2
Total Travel Expenses	25,634	27,010	27,040	26,690	30,230	+ 3,540	13.3
III. OTHER ADMINISTRATIVE EXPENSES							
E — COMMUNICATIONS							
Postage and freight	2,730	2,520	2,550	2,530	3,030	+ 500	19.8
Telephone	2,289	2,205	2,250	2,200	2,290	+ 90	4.1
Telegraph	1,324	1,375	1,300	1,260	1,340	+ 80	6.3
Total	6,343	6,100	6,100	5,990	6,660	+ 670	11.2
F — BUILDING OCCUPANCY							
Maintenance and operation	4,569	5,491	5,640	5,640	6,685	+ 1,045	18.5
Utilities	2,313	2,531	2,450	2,450	2,730	+ 280	11.4
Alterations	4,333	2,750	2,730	2,730	2,395	- 335	- 12.3
Rentals	2,069	2,468	2,520	2,520	3,610	+ 1,090	43.3
Total	13,284	13,240	13,340	13,340	15,420	+ 2,080	15.6
G — BOOKS AND PRINTING							
Books and periodicals	754	750	830	805	850	+ 45	5.6
Contractual printing	1,487	1,360	1,280	1,245	1,340	+ 95	7.6
Total	2,242	2,110	2,110	2,050	2,190	+ 140	6.8
H — SUPPLIES AND EQUIPMENT							
Purchase of furniture and equipment	1,826	2,112	1,910	1,910	2,170	+ 260	13.6
Rental of equipment	593	797	1,125	1,125	545	- 580	- 51.6
Maintenance of equipment	381	449	335	335	545	+ 210	62.7
Expendable supplies	1,361	1,422	1,840	1,840	1,910	+ 70	3.8
Total	4,160	4,780	5,210	5,210	5,170	- 40	- 0.8
I — DATA PROCESSING							
Fund computer facilities	6,051	6,660	6,900	6,770	5,550	- 1,220	- 18.0
Contractual support	5,032	4,950	4,000	3,750	3,320	- 430	- 11.5
Other data processing	6,483	6,090	7,398	6,740	7,520	+ 780	11.6
Total	17,566	17,700	18,298	17,260	16,390	- 870	- 5.0
J — MISCELLANEOUS							
Representation	780	755	720	720	760	+ 40	5.6
Insurance	798	815	795	795	895	+ 100	12.6
Miscellaneous contractual services	6,440	6,760	7,745	7,745	2,215	- 5,530	- 71.4
Sundries	(246)	(390)	(240)	(240)	(230)	+ 10	- 4.1
Total	7,772	7,940	9,020	9,020	3,640	- 5,380	- 59.6
Total Other Administrative Expenses	51,367	51,870	54,078	52,870	49,470	- 3,400	- 6.4
TOTAL BUDGET	247,142	245,340	250,588	246,760	247,230	+ 470	0.2

¹Due to rounding, total may not add up.

²Includes supplementary appropriations of \$4,500,000 for the 1987 general salary adjustment as approved at EBM/B7/69 (May 6, 1987); \$150,000 for a feasibility study related to the possible acquisition of the Western Presbyterian Church site as approved at EBM/B7/83 (June 5, 1987); and \$598,000 for the development and implementation of an office automation systems strategy for Executive Directors' offices as approved at EBM/B7/92 (June 19, 1987).

³Reflects transfers of appropriations as approved at EBM/88/51 (March 28, 1988).

FY 1989 BUDGET BY OBJECT OF EXPENSE

I. PERSONNEL EXPENSES

A — SALARIES

Account	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget ¹	FY 1989 Compared with FY 1988		
				Increase + Decrease -	Percent Change	
		(In thousands of U.S. dollars)				
Executive Directors, Alternates, and Advisors	4,835	5,000	5,050	+ 50	1.0	
Assistants to Executive Directors	4,242	4,480	4,560	+ 80	1.8	
Staff	86,236	89,870	92,130	+ 2,260	2.5	
Technical assistance experts and consultants	7,108	6,610	8,050	+ 1,440	21.8	
Total	102,421	105,960	109,790	+ 3,830	3.6	

¹Excludes any provision for a General Salary Adjustment.

Executive Directors, Alternates, and Advisors In FY 1989, 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 25 Advisors. At present, the cost of 3 Board members are shared with the World Bank. It is projected that expenditures for Board members and Advisors in FY 1989 will be equivalent to 66.5 man-years compared with a total of 66 man-years in FY 1988.

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 1989 is based on the assumption that total effective man-years for assistants will be about 111, similar to the level in FY 1988.

Staff The authorized ceiling for the current financial year is 1,711.5 positions. It is proposed to add 8 positions in FY 1989, thus raising the staff ceiling to 1,719.5. The FY 1989 budget for staff salaries provides for the cost of 2,002.3 man-years compared with the cost of 1,972.2 man-years in FY 1988, and includes provision for temporary secretarial assistance for the offices of Executive Directors (8.5 man-years in FY 1988, 9.0 man-years in FY 1989). The increase of 30.1 man-years includes: (i) a net addition of 8 new positions; (ii) a projected reduction in existing vacancies by 17.8 man years; (iii) an increase in the Economist, Summer Intern, and Special Appointee Programs by 5.7 man-years; (iv) a reduction in temporary assistance by 3.7 man years; and (v) an increase in paid overtime by 2.3 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 (\$78,060,000), the other main elements in the staff salaries account for FY 1989 are: the Economist Program (\$1,900,000), the Staff Contingency Fund, including provision for temporary staff charged against vacant positions (\$9,860,000), staff overtime (\$1,225,000), temporary staff hired in connection with the Annual Meetings (\$595,000), and various miscellaneous expenses, including the cost of 5 special appointees, and the Fund's 50 percent share of the cost of the Executive Secretary and 2 secretarial assistants of the Development Committee.

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 1988, 27 economists will have been hired under this program, and 39 have been carried over from prior years, for a total of 42 man-years and a cost of \$1,745,000. The proposed budget for FY 1989 (\$1,900,000) allows for the carry over from FY 1988 of 47 economists and for the recruitment of 25 new staff, for a total of 46.6 man-years. The summer intern program is used to hire graduate university students during the summer period. The proposed budget for FY 1989 (\$140,000) provides for 21 interns for a total of 5.6 man-years compared with 15 interns for a total of 4.1 man-years (\$100,000) in FY 1988.

In FY 1988, it is expected that a total of 288.2 man-years of assistance will have been provided from the Staff Contingency Fund at an estimated cost of \$9,630,000. For FY 1989, a budget of \$9,860,000 is proposed, which will provide for 284.5 man-years of assistance consisting of 41.6 man-years for temporary staff charged against vacant positions, 32.3 man years for leave replacements at A1-A8 levels, and 210.6 man-years for seasonal and special work load requirements. The latter figure includes 100 man-years of assistance by computer programmer specialists.

The main factors accounting for the increase of \$2,260,000 in the FY 1989 budget for staff salaries are: the net cost of 8 new positions (\$480,000), the net cost of promotions and merit increases for staff after allowing for

FY 1989 BUDGET BY OBJECT OF EXPENSE

turnover of staff (\$800,000), a reduction in the average vacancy rate (\$710,000), and an increase in the cost of temporary assistance (\$230,000).

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 1989 includes \$6,670,000 for salaries for 83 man-years of central banking and 26 man-years of fiscal experts, as compared with the estimate of \$5,470,000 in FY 1988 for 75 man-years of assistance provided by central banking experts and 21 man-years by fiscal experts. Within the above numbers, the budget provides for up to 10 experts stationed at headquarters to undertake short-term technical assistance missions (refer to page 3).

The proposed budget for FY 1989 also includes \$1,380,000 for 16.1 man-years of consultants, compared

with an estimated \$1,140,000 for 13.3 man-years in FY 1988. The FY 1989 budget provides for the continuation of services of the Chairman of the Grievance Committee, the Ombudsman, a legal service consultant to assist staff members, 4 consultants for the Job Grading Appeals Committee, a consultant to advise on various staff development policies, and a consultant to advise on an information security program; and consultants and visiting professors in the Asian, European, Western Hemisphere, Exchange and Trade Relations, Fiscal Affairs, 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 External Relations 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 15.8 man-years for technical assistance experts and consultants over the estimated total in FY 1988.

B — OTHER PERSONNEL EXPENSES

Account	FY 1987 Actual Expenses ¹	FY 1988 Estimated Expenses	FY 1989 Proposed Budget ²	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(In thousands of U.S. dollars)					
Dependency allowances	3,485	3,450	3,490	+ 40	1.2
Settlement allowances and grants	6,874	8,390	7,045	-1,345	-16.0
Overseas allowances	2,588	2,910	3,080	+ 170	5.8
Children's education allowances	2,363	2,740	3,030	+ 290	10.6
Study allowances and training	980	1,100	1,305	+ 205	18.6
IMF Institute living allowances	829	900	1,050	+ 150	16.7
Tax allowances	11,458	11,100	10,450	- 650	- 5.9
Retirement contributions	30,658	19,210	20,120	+ 910	4.7
Termination incentives	2,745	5,660	1,500	-4,160	-73.5
Health benefits	4,739	4,720	5,455	+ 735	15.6
Life insurance and death benefits	125	170	195	+ 25	14.7
Social and welfare expenses	274	290	290	—	—
Food services	603	600	730	+ 130	21.7
Total	67,720	61,240	57,740	- 3,500	- 5.7

¹Due to rounding, total may not add up.

²Excludes any provision for a General 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 percent of net annual salary with a maximum of \$3,000 for a spouse, \$420 per year for a child, and \$210 for each other dependent. In January 1988, a total of 1,477 persons were receiving dependency allowances, compared with 1,469 in January 1987.

Settlement Allowances and Grants This account provides for the payment of installation and resettlement allowances, accumulated unused annual leave, and settling-in and separation grants. It also provides for the cost of

accruals for unused annual leave and earned separation grants. During FY 1988, 242 (232 in FY 1987) present and former Executive Board members, their Advisors and assistants, staff, and technical assistance experts are expected to receive installation and resettlement allowances, while separation grants will be paid to 111 (50) persons. The proposed budget of \$7,045,000 for FY 1989 takes account of the fact that there will be more payments to Executive Directors as it is an election year, and fewer payments to staff because the number of staff separations will return to a more normal level following the conclusion of the Early Retirement Assistance Scheme in FY 1988; it also incorporates \$2,900,000 for the estimated cost of accrued annual

FY 1989 BUDGET BY OBJECT OF EXPENSE

leave and separation grants which is anticipated to accumulate in FY 1989, over and above what has been provided for through FY 1988.

Overseas Allowances This account covers the cost of allowances paid to technical assistance experts and staff members on long-term overseas assignments. These allowances are intended to cover any additional expenses and hardships for which provision is not otherwise made. In FY 1988, it is estimated that allowances will have been paid for a total of 27 man-years of staff overseas assignments and 93 man-years of expert assignments. The FY 1989 budget of \$3,080,000 provides for 26 staff and 101 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, their Advisors and assistants, staff, and technical assistance experts. From May through December 1987, 492 eligible persons had received payments under this policy (498 for the same period in 1986). The FY 1989 budget of \$3,030,000 allows for an increase of \$290,000 to cover both increases in volume and price.

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 93 eligible staff members and assistants to Executive Directors will receive payments in FY 1988 (97 in FY 1987) under the individual study programs, at a total estimated cost of \$130,000; the amount budgeted for FY 1989 (\$160,000) includes provision for a larger number of staff to obtain additional training in connection with the Job Grading exercise. Other training courses in FY 1988 are expected to cost \$950,000 on account of the following number of staff and assistants to Executive Directors attending these courses: 2,572 (2,599 in FY 1987) participants for in-service training (economics, communications, management consulting and development, technology, etc.), 315 (345) participants for language courses, and 105 (105) other courses under the external training program. The amount budgeted for these programs in FY 1989 is \$1,120,000; most of the increase is on account of higher estimates for the number of staff receiving training and counseling. The cost of the IMF Institute language testing and training program is estimated to increase from \$20,000 in FY 1988 to \$25,000 in FY 1989 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 to cover the cost of meals and various miscellaneous expenses. In FY 1988, it is estimated that a total of 529 participants will have been paid a living allowance for 35,195 days while attending courses in Washington, D.C. The budget for FY 1989 (\$1,050,000) assumes that a total of 648 participants will be paid a living allowance for 35,050 days.

The budget also provides for an increase to \$30 in the standard daily living allowance; this was last raised in 1981 from \$25 to \$30 per day. The allowance paid to senior participants remains unchanged at \$40 per day. 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, their Advisors and assistants, staff, and technical assistance experts. In CY 1987, 500 persons received tax allowances (493 in CY 1986). The estimate for FY 1989 of \$10,450,000 is \$650,000 (5.9 percent) less than that in FY 1988 because the extraordinary payments made in CY 1987 in connection with the Early Retirement Assistance Scheme (ERAS) will not be repeated in FY 1989. The decrease is partially offset by a small increase in tax allowance payments, reflecting higher salaries in FY 1989.

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, their Advisors and assistants, and staff; and for contributions to the pension plans of technical assistance experts. As of January 1, 1988, contributions were being made on behalf of 1,877 participants (1,926 as of January 1, 1987). The estimated expense in FY 1988 (\$19,210,000) includes \$18,770,000 for the cost of the Fund's contributions, at a rate of 12.14 percent of gross pensionable remuneration, and \$440,000 for the costs of supplementary pensions for former Managing Directors and pension parity supplements for pensioners. The FY 1989 budget takes into account a change in the Fund's contribution formula effective May 1, 1988 (EBM/88/30, 3/4/88), which requires the Plan to include the costs of the investment management and custodial fees incurred in respect of the Plan and reduces the assumed rate of return on the Plan's assets from 9 to 8.5 percent. The FY 1989 budget of \$20,120,000 includes \$19,450,000 for the cost of Fund contributions at a rate of 12.62 percent of gross pensionable remuneration and \$670,000 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 (EBM/88/11, 1/29/88). The FY 1988 revised estimate for these programs (\$5,660,000) includes \$1,050,000 for payments under the TBF to about 16 staff members; \$4,250,000 for a special supplement to the TBF to provide early retirement assistance to about 38 staff members

FY 1989 BUDGET BY OBJECT OF EXPENSE

whose positions were downgraded as a result of the Job Grading exercise and who opted for early retirement (this program was completed in FY 1988); \$330,000 for monthly supplemental payments under the early retirement incentives scheme to 17 former senior staff who retired in FY 1980 and FY 1981; and \$30,000 for outplacement assistance. The FY 1989 budget of \$1,500,000 includes \$1,100,000 for a slightly larger number of payments under the TBF, \$340,000 for the cost of continued monthly supplemental payments to 17 former senior staff, and \$60,000 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, their Advisors and assistants, staff, technical assistance experts, retirees, and IMF Institute participants; and for other health benefit expenses. There were a total of 2,646 enrollees in the MBP in January 1988 (2,579 in January 1987). The estimated cost for the Plan in FY 1989 is \$4,925,000 which is \$681,000 (16.0 percent) higher than in FY 1988 primarily because of the expected increase in enrollment and continued inflation in medical costs. During the past year, the cost experience of the Plan deteriorated markedly and it was necessary to finance the operating deficit by drawing on the Plan's Reserve Account which was established for this purpose. The increasing costs of medical care are expected to continue in FY 1989 and the need to increase revenues through higher contribution rates for both the Fund and enrollees is being reviewed. The budget for this account in FY 1989 also includes \$458,000 (\$415,000 in FY 1988) for the Fund's share of the cost of the Joint Bank-Fund Health Room and \$72,000 (\$61,000) 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 Insur-

ance Plan on behalf of Executive Board members, their Advisors and assistants, staff, technical assistance experts, and retirees (there were 2,091 enrollees in January 1988 compared with 2,082 in January 1987); 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 1988 takes into account the Fund's one-third share (\$150,000) of a return of premiums declared by the insurance company as a result of good claims experience in CY 1987. The FY 1989 budget of \$195,000 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 1989 is \$290,000, the same as in FY 1988. The principal items in the budget for FY 1989 are the social program for participants attending IMF Institute courses (\$110,000), the Christmas party (\$85,000), and the annual picnic at the Bretton Woods Recreation Center (\$35,000). In addition, provisions are made for activities of the International Families of the Fund Office (InFFO), contributions to approved activities of staff groups, 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 1989 budget of \$730,000 takes account of the opening of a satellite ceteria 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 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
				(In thousands of U.S. dollars)	
Meetings of Governors	1,485	1,580	3,740	+ 2,160	136.7
Other business travel	12,064	12,900	13,400	+ 500	3.9
Total	13,549	14,480	17,140	+ 2,660	18.4

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 Commit-

tees. It also provides for the travel of the Chairmen of the Interim and Development Committees and for the travel of the Office of Executive Secretary of the Development Committee. The proposed budget of \$3,740,000 for FY 1989 (\$1,580,000 in FY 1988) assumes that there will be two Interim and Development Committee meetings, one to be

FY 1989 BUDGET BY OBJECT OF EXPENSE

held in Berlin at the time of the Annual Meetings and the other in Washington. The increase in costs for FY 1989 is mainly because the next Annual Meetings will be held abroad.

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 1987, Board members, their Advisors and assistants made 362 business trips abroad (344 in 1986). Staff made 1,904 trips abroad (1,924 in 1986), of which 736 (782) were for regular consultations, 415 (417) were for

additional missions in connection with use of Fund resources, including stand-bys and Structural Adjustment Facility programs, 243 (221) were for other country missions, including aid meetings, 176 (218) were for technical assistance, and 334 (286) were for other purposes. In FY 1988, it is estimated that of the total anticipated cost (\$12,900,000), approximately \$7,855,000 (61 percent) will be for transportation expenses and about \$5,045,000 (39 percent) for per diem and incidental expenses. The amount budgeted for FY 1989 (\$13,400,000) provides for an average increase of about 3 percent in airfares and travel allowances, and a slight increase in volume.

D — OTHER TRAVEL

Account	FY 1987 Actual Expenses ¹	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
		(In thousands of U.S. dollars)			
Settlement travel	4,852	5,150	5,500	+ 350	6.8
Home leave travel	5,106	4,900	5,300	+ 400	8.2
Miscellaneous travel	2,126	2,160	2,290	+ 130	6.0
Total	12,085	12,210	13,090	+ 880	7.2

¹Due to rounding, total may not add up.

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, their Advisors and assistants, staff, technical assistance experts, IMF Institute participants, and special appointees. In FY 1988, settlement travel expenses will have been paid for the following persons and their families: 27 present and former Executive Board members, 25 assistants, 135 staff, and 132 technical assistance experts (the numbers for FY 1987 were 40, 39, 105 and 151, respectively). In addition, settlement travel expenses will have been paid for 529 IMF Institute participants and their spouses, and for 24 staff members and their families who were posted in the field as Fund representatives or advisors (546 and 27 in FY 1987, respectively). The FY 1989 budget of \$5,500,000 is \$350,000 above that for FY 1988, and takes into account a higher volume of travel by Executive Board members in an election year and a small increase in airfares. A proposal to downgrade settlement travel from first class to one class lower than first class is currently under consideration by the Committee on Executive Board Administrative Matters and the Committee on Administrative Policies (EB/CAM/87/18, 4/2/87; EBAP/87/259, 11/24/87). Should a decision be made to downgrade settlement travel, and taking into consideration the grandfathering provision, it is estimated that expenses in a full year could be substantially reduced.

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 rest and recuperation trips for technical assistance experts and staff in the field. During the current financial year, about 620 staff and their dependents, 35 assistants to Executive Directors and their dependents, and the dependents of 25 Board members will have traveled on home leave (the numbers for FY 1987 were 629, 49, and 25, respectively). The FY 1989 budget of \$5,300,000 provides for an increase in airfares and travel allowances of about 3 percent, as well as an increase in volume for staff making 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 IMF Institute participants, and various other authorized journeys. The proposed FY 1989 budget of \$2,290,000 allows, along with a small increase in airfares, for an increase in the numbers of individuals travelling under the spouses' points policy and education policy.

FY 1989 BUDGET BY OBJECT OF EXPENSE

III. OTHER ADMINISTRATIVE EXPENSES

E — COMMUNICATIONS

Account	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
		(In thousands of U.S. dollars)			
Postage and freight	2,730	2,530	3,030	+ 500	19.8
Telephone	2,289	2,200	2,290	+ 90	4.1
Telegraph	1,324	1,260	1,340	+ 80	6.3
Total	6,343	5,990	6,660	+ 670	11.2

Postage and Freight The FY 1989 budget of \$3,030,000 is 19.8 percent higher than the estimate for FY 1988 and allows for a 16.4 percent overall increase in postal rates effective April 3, 1988 and a slight rise in the volume of mail and increased use of courier services.

Telephone This account provides for the cost of switch-board staff and equipment, long distance calls, and other related expenses. The FY 1989 budget of \$2,290,000 is slightly higher than the FY 1988 estimate, reflecting the continued substitution of long distance telephone calls for

telex and cable communications, in conjunction with an increased use of facsimile equipment. This increase is partially offset by a reduction in the Annual Meetings' long distance charges resulting from the use of dedicated communications links between Berlin and Washington, D.C., the cost for which will be charged to the data processing budget.

Telegraph This account provides for telex, cable and related expenses. The FY 1989 budget of \$1,340,000 provides for a small increase in the volume of cable traffic.

F — BUILDING OCCUPANCY

Account	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
		(In thousands of U.S. dollars)			
Maintenance and operation	4,569	5,640	6,685	+ 1,045	18.5
Utilities	2,313	2,450	2,730	+ 280	11.4
Alterations	4,333	2,730	2,395	- 335	-12.3
Rentals	2,069	2,520	3,610	+ 1,090	43.3
Total	13,284	13,340	15,420	+ 2,080	15.6

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 contractual building services personnel working on day and night shifts. The work force at the headquarters building includes 15 engineers, 3 painters, 18 utility men, 9 messengers, 5 accountants, 40 guards, 5 clerk-typists, 5 garage attendants, and 19 cleaners; this latter group is supported by a night cleaning crew of about 95. The FY 1989 budget of \$6,685,000 includes \$4,915,000 for building maintenance, building operations, guard, and cleaning services; \$670,000 for repairs; and \$1,100,000 for building supplies and other maintenance and operating expenses.

Utilities This account provides for electricity, fuel oil, gas and water costs. The FY 1989 budget of \$2,730,000 includes \$2,235,000 for electricity (82 percent of the total utilities budget) and \$495,000 for fuel oil, gas, and water expenses. The increase of \$280,000 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 renovations, upgrades to building equipment systems, electrical alterations in connection with the installation of automation equipment, and other alterations. The main elements in the \$2,395,000 building alterations program for FY 1989 are general remodeling costs (\$889,000) and alterations to the Concourse corridors and snack bar (\$440,000). Funds are also budgeted to cover miscellaneous projects such as the design of existing office space to accommodate new office

FY 1989 BUDGET BY OBJECT OF EXPENSE

automation equipment; maintaining accurate space, architectural and mechanical drawings of the headquarters complex; and improving certain aspects of building security. The projected reduction in expenditures of \$335,000 (-12.3 percent) is due mainly to the completion of major renovations to existing space at International Square in FY 1988 that will not be repeated in FY 1989 (-\$650,000), partially offset by the addition of the Concourse corridor project in FY 1989.

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 facilities located in Fund buildings, e.g., the Joint Library; the Concordia apartments used by participants in the Economic Development Institute; and income from parking charges, as well as the cost of the parking management service and the rental of commercial parking space. The FY 1989 budget of \$3,610,000 includes \$5,180,000 (\$3,873,000 in FY 1988) for rental costs for International Square, Annual Meetings offices, office space in Paris and Geneva, and other rented

space; and \$1,570,000 (\$1,361,000 in FY 1988) for partially offsetting income from the Concordia apartments, the World Bank, and parking charges. The increase of \$1,090,000 (43.3 percent) reflects the cost of leasing the expanded office space at International Square, starting in July 1988 (+\$1,352,000), partially offset by a reduction in rental expenses for the Annual Meetings office because the 1988 Annual Meetings will be held outside of Washington (-\$215,000).

It is estimated that the cost of the parking facility in FY 1989 will be \$528,000 (\$480,000), including the parking management service and rental of commercial space, which is charged to this account; and \$414,000 for utilities, security, and cleaning, which is charged to the utilities and maintenance accounts). On the basis of present parking rates, a deficit of \$70,000 for the parking operation would result in FY 1989. 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 which would equal the direct cost of providing the parking facility, it is proposed to increase charges by an average of 8.2 percent on May 1, 1988. The last increase in charges was an average of 5.6 percent, effective May 1, 1987.

G — BOOKS AND PRINTING

Account	FY 1987 Actual Expenses ¹	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
				(In thousands of U.S. dollars)	
Books and periodicals	754	805	850	+ 45	5.6
Contractual printing	1,487	1,245	1,340	+ 95	7.6
Total	2,242	2,050	2,190	+ 140	6.8

¹Due to rounding, total may not add up.

Books and Periodicals The FY 1989 budget of \$850,000 provides for newspaper subscriptions and publications for Executive Board members and staff (\$370,000); for acquisitions by the Joint Library (Fund's share \$283,000); the Legal Library (\$71,000), the IMF Institute Library (\$25,000), and the Bureau of Language Services Library (\$16,000); and for the rental of 8 news ticker services (\$65,000).

Contractual Printing This account provides for contractual printing costs for publications and documents, and for receipts on the sales of publications, etc. The FY 1989 budget of \$1,340,000 includes \$3,040,000 for production costs (\$2,845,000 in FY 1988) and \$1,700,000 for estimated income from sales (\$1,600,000 in FY 1988). Production costs include \$1,330,000 for *International Financial Statistics* and related statistical publications, \$341,000 for the *IMF Survey*, \$320,000 for the Fund's share of *Finance &*

Development, and \$1,052,000 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 Surveys* series including the *World Economic Outlook*. Major publishing projects for FY 1989 include a study of value-added taxation, which has been carried over from FY 1988, a fourth volume of the *Fund Agreements in the Courts*, a study on South Pacific Island economies and a study on central banking in developing countries. Also scheduled for release in FY 1989 are: additional seminar volumes; 6 papers in the *WEFS* series and 7 *Occasional Papers* including ones on developing a forward exchange market, improving the quality of government expenditures, and Fund programs and poverty. Two supplements to *International Financial Statistics* are also planned, along with several new pamphlets.

FY 1989 BUDGET BY OBJECT OF EXPENSE

H — SUPPLIES AND EQUIPMENT

Account	FY 1987 Actual Expenses ¹	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988		
				Increase + Decrease -	Percent Change	
		(In thousands of U.S. dollars)				
Purchase of furniture and equipment	1,826	1,910	2,170	+ 260	13.6	
Rental of equipment	593	1,125	545	- 580	-51.6	
Maintenance of furniture and equipment	381	335	545	+ 210	62.7	
Expendable supplies	1,361	1,840	1,910	+ 70	3.8	
Total	4,160	5,210	5,170	- 40	- 0.8	

¹ Due to rounding, total may not add up.

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, typewriters, calculators, dictating and other office and specialized equipment other than communications and data processing equipment is also included. The proposed FY 1989 budget of \$2,170,000 is \$260,000 (13.6 percent) more than in FY 1988. Principal elements in the FY 1989 budget include additional purchases of office automation furniture and furnishings (\$813,000), purchases of other furniture (\$458,000), office equipment (\$119,000), other equipment (\$648,000), and purchases for the replacement of Fund equipment at the Bretton Woods Recreation Center (\$52,000). Most of the increase in FY 1989 is on account of the acquisition of two lecture room projectors for the IMF Institute.

Rental of Equipment This account provides for the rental of photocopy machines and other office equipment excluding communications and data processing equipment. The FY 1989 budget of \$545,000 is \$580,000 (51.6 percent) less than in FY 1988 due to reduced photocopier rental expenses (over 80 percent of this account covers the ex-

penses of providing photocopier service throughout the Fund). In FY 1988, following a survey of copier usage which reflected the need to update inadequate copying facilities, a policy of purchasing rather than renting copiers was implemented; this switch is expected to realize substantial savings over the next few years.

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 1989 budget of \$545,000 is \$210,000 (63 percent) higher than the revised estimate for FY 1988 mainly due to the postponement of, until FY 1989, a number of projects originally scheduled for FY 1988.

Expendable Supplies This account provides for expendable supplies including general, graphics, and data processing supplies. The FY 1989 budget of \$1,910,000 is \$70,000 (3.8 percent) higher than FY 1988 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 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988		
				Increase + Decrease -	Percent Change	
		(In thousands of U.S. dollars)				
Fund computer facilities	6,051	6,770	5,550	- 1,220	-18.0	
Contractual support	5,032	3,750	3,320	- 430	-11.5	
Other data processing	6,483	6,740	7,520	+ 780	11.6	
Total	17,566	17,260	16,390	- 870	-5.0	

The total budget for EDP activities in FY 1989 is \$28,900,000, compared with the revised estimate of \$30,400,000 for FY 1988. These figures include the salaries

and benefits of staff and consultants (included in the Salaries and Other Personnel Expenses categories) and other costs for the purchase of contractual services from companies,

FY 1989 BUDGET BY OBJECT OF EXPENSE

equipment, software, and other expenses (included in the Data Processing category). About \$21,400,000 (74 percent) of the proposed amount for FY 1989 is on account of maintenance and operation of existing projects. The remaining amount of \$7,500,000 (26 percent) is for the development of new projects, or for the continued development of ongoing projects.

The FY 1989 budget of \$16,390,000 provides for major computer facilities and contractual support, equipment, software and other related expenses, but excludes \$12,510,000 for salaries and benefits of EDP staff and consultants which are included in the personnel expenses category. An amount of \$135,000 for the purchase of equipment is included in the capital budget (see page 113).

The major contributing factor to the reduction of \$1,500,000 in proposed EDP expenses in FY 1989 over those in FY 1988 are (i) the transition from development to production of a number of development projects that were begun in prior years, and (ii) the winding down of the implementation of the office automation system (networked word processing) that is now essentially complete. Also contributing to the lower level of planned EDP expenses in FY 1989 are the management reviews of the Treasurer's Integrated Information System (TIFS) and the Economic Information System (EIS) in the Bureau of Statistics. These reviews will ascertain the progress made to date on the projects and re-evaluate the direction of their future development and the associated cost implications. This decrease in expenditures will be offset, somewhat, by the expansion of the Economist Workstation System (EWS) project, and the implementation of the first stage of a transportation system for the Administration Department. To ensure that only the most cost-effective projects are undertaken, an improved and more rigorous project autho-

rization process has been initiated for FY 1989. In this process, funds will be provided to undertake a business review (cost/benefit analysis) of the project proposal. Once accepted for development, the project will be incrementally funded based upon the successful completion of a series of predetermined project review checkpoints.

Fund Computer Facilities This account provides for the operation and management of the Burroughs and IBM mainframe computers, and includes contractual services, equipment, software, and other expenses. The decrease of \$1,220,000 in this account for FY 1989 reflects the relocation of the IBM mainframe to the new Computer Center, and completion of the purchase of the Unisys A15 mainframe.

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 \$430,000 in this account in FY 1989 is due to the reduction in both production and development funding with its subsequent impact on contractual resources.

Other Data Processing This account provides for data processing expenses not covered in the Fund Computer 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 processing facilities for time sharing on outside computers. The budgeted amount of \$7,520,000 in this account in FY 1989 reflects the continued acquisition of microcomputers, software, and networking equipment to support the operational and support activities of the Fund staff.

J — MISCELLANEOUS

Account	FY 1987 Actual Expenses	FY 1988 Estimated Expenses	FY 1989 Proposed Budget	FY 1989 Compared with FY 1988	
				Increase + Decrease -	Percent Change
(In thousands of U.S. dollars)					
Representation	780	720	760	+ 40	5.6
Insurance	798	795	895	+ 100	12.6
Miscellaneous contractual services	6,440	7,745	2,215	- 5,530	-71.4
Sundries	(246)	(240)	(230)	+ 10	- 4.1
Total	7,772	9,020	3,640	- 5,380	- 59.6

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 \$40,000 projected for FY 1989 is to allow for some increase in prices.

Insurance This account provides for property, casualty and liability insurance coverage worldwide; for travel accident, and travelers' personal effects insurance; and for the

Fund's self-insured workers' compensation claims and costs. An increase of \$100,000 is projected for FY 1989 to provide for anticipated higher expenses for workers' compensation claims, as well as an increase in premiums because of expanded coverage.

Miscellaneous Contractual Services This account provides for the cost of various contractual services not included elsewhere. The large decrease in this account

FY 1989 BUDGET BY OBJECT OF EXPENSE

(- \$5,530,000) is mainly due to the absence of expenses related to investment management and custodial fees for the Staff Retirement Plan in FY 1989 (- \$5,500,000) as a result of the decision to charge these fees directly to the Plan effective May 1, 1988 (EBM/88/30, 3/4/88). The remaining components include the compensation and tax review, \$505,000 (\$617,000); translation and interpretation services, \$180,000 (\$180,000); the study of Executive Directors' remuneration, \$50,000 (\$50,000); contractual services for the Visitors' Center, \$27,000 (\$70,000); auditing services to support the External Audit Committee, \$163,000 (\$163,000); and miscellaneous services for the Annual Meetings, \$60,000 (\$140,000).

Sundries This account covers miscellaneous expenses not otherwise classified, as well as income from interest-

bearing salary advances and discounts taken on purchases of services, supplies and equipment. The proposed FY 1989 budget includes estimated income of \$790,000 from interest-bearing salary advances and discounts (\$740,000 in FY 1988). It provides \$340,000 for miscellaneous expenses of the Annual Meetings and the Interim and Development Committees, including ancillary meetings of the G-24 and G-10, and \$40,000 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 1988 United Way Campaign (\$38,000); for the voluntary payment in lieu of tax for the Bretton Woods Recreation Center (\$36,000); and for the annual subscription to the Society for International Development (\$4,000).

CAPITAL BUDGET FOR FY 1989

FY 1989 CAPITAL BUDGET

In accordance with EBM/86/186 (11/21/86), this section of the budget includes a review of capital projects approved in FY 1988, and the proposed capital budget for new capital projects beginning in FY 1989. The capital budget is a multiyear expenditure plan that provides for major investments in tangible assets acquired in support of the Fund's programs of activities. The capital budget is comprised of three major categories: Headquarter's Build-

ing Facilities, Other Locations' Building Facilities, and Major Equipment Purchases. A project is included in the capital budget if: (i) the majority of the project's costs are for the acquisition of capital assets;¹ and (ii) the cost of individual capital items equals or exceeds \$100,000. A draft decision for the approval of the FY 1989 Capital Budget is on page 14.

REVIEW OF FY 1988 CAPITAL PROJECTS

The first multiyear capital projects budget was approved by the Executive Board on April 15, 1987 (EBM/87/60). Nine projects were included with a total cost of \$8,775,000. On March 28, 1988 (EBM/88/51) the Executive Board approved a transfer of appropriations in the amount of \$270,000 from the Headquarters Building cate-

gory to the Other Buildings category based upon revised estimates of total project costs. There follows a summary table by project of the revised budgets and estimates, and a description of the status of the nine capital projects approved in FY 1988.

FY 1988 CAPITAL BUDGET

(In thousands of U.S. dollars)

	Original Budget	Revised Budget ¹	Revised Estimate	Estimate Compared with Revised Budget		Revised Estimate of Expenses by Year		
				Increase + Decrease -	Percent Change	FY 1988	FY 1989	FY 1990
I. Building Space Facilities:								
A—Headquarters								
(1) Computer Center	3,623	3,353	3,255	- 98	- 2.9 ²	3,075	180	—
(2) Two Lecture Rooms	700	700	700	—	—	—	600	100
(3) Helix Lift	150	150	150	—	—	150	—	—
(4) New Front Doors	110	110	110	—	—	—	110	—
Headquarters Total	4,583	4,313	4,215	- 98	- 2.3	3,225	890	100
B—Other Locations								
(1) International Square	2,350	2,620	2,760	140	5.3 ³	860	1,900	—
(2) Concordia Apartments	590	590	450	-140	-23.7 ⁴	400	50	—
(3) Bretton Woods Recreation Center	200	200	200	—	—	50	150	—
Other Locations Total	3,140	3,410	3,410	—	—	1,310	2,100	—
Building Space Total	7,723	7,723	7,625	- 98	- 1.3	4,535	2,990	100
II. Equipment for EDP Systems								
C—Computing								
(1) IBM Systems	728	728	660	- 68	- 9.3	660	—	—
(2) Unisys Systems	324	324	235	- 89	-27.5	235	—	—
EDP Total	1,052	1,052	895	-157	-14.9	895	—	—
Capital Projects Total	8,775	8,775	8,520	-255	- 2.9	5,430	2,990	100

¹Transfer of appropriations approved by the Executive Board on March 28, 1988 (EBM/88/51).

²Cumulative budget of \$3,703,000 for FY 1987–FY 1989; cumulative expense variance estimate of -\$225,000 or -6.1%.

³Cumulative budget of \$2,820,000 for FY 1987–FY 1989; cumulative expense variance estimate of +\$125,000 or +4.4%.

⁴Cumulative budget of \$5,750,000 for FY 1985–FY 1989; cumulative expense variance estimate of -\$140,000 or -2.4%.

¹Capital 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. Expenditures for routine repairs and alterations are not included in the capital budget.

FY 1989 CAPITAL BUDGET

I. Building Space Facilities

The FY 1988 Capital Budget for building space facilities included seven projects—four at headquarters and three at other locations. The revised budget for projects beginning in FY 1988 is \$7,723,000, and it is now estimated that total expenditures for these projects will be \$7,625,000 which is \$98,000 (1.3 percent) less than the revised budget.

A—Headquarters Projects

The revised budget for the four headquarters projects approved in FY 1988 is \$4,313,000. It is estimated that total expenditures in this category will be \$4,215,000 which is \$98,000 (2.3 percent) less than the revised budget.

Computer Center The Executive Board authorized the construction of a mainframe computer center at an estimated cost of \$3,973,000 (EBM/87/30, February 20, 1987). Of this amount, \$350,000 was included in the FY 1987 Administrative Budget, and \$3,623,000 was originally included in the FY 1988 Capital Budget. It is now estimated that this project will be completed on schedule early in FY 1989, and that capital expenditures will amount to \$3,255,000 which is \$98,000 (2.9 percent) less than the revised budget. The reasons for the underexpenditure were explained in the FY 1988 Transfer of Appropriations paper (EBAP/88/73, March 22, 1988).

IMF Institute Lecture Rooms The upgrade of the remaining two IMF Institute lecture rooms was approved in the FY 1988 Capital Budget. This upgrade plan included improvements to the audio system, lighting, heating, ventilation, air conditioning, and furnishings as well as an increase in seating capacity in both rooms. The IMF Institute has reconsidered the scope of the project and has requested that the project funds be used to upgrade one of the older rooms into an amphitheater layout similar to the newer rooms, and that the remaining funds be used to provide remedial improvements to the other older lecture room. This revised proposal would provide three amphitheater lecture rooms and one conference style lecture room, as opposed to two amphitheater lecture rooms and two conference style rooms. It is proposed to proceed with this revision to the project, as the original budget of \$700,000 would remain as the project ceiling. Further capital improvements to the remaining conference style lecture room are not planned in the near future, i.e. at least until after the completion of the current project.

Helix Lift Equipment for the lifting and storage of bulk supplies and other materials in the center of the G Street Helix parking ramps was purchased as planned in FY 1988.

New Front Doors The delivery of the new front doors has been delayed due to supplier problems. Installation is now scheduled to occur early in FY 1989.

B—Other Locations' Projects

The revised budget for the three projects in this category is \$3,410,000. It is estimated that total expenditures in this category will be as budgeted.

International Square. The Executive Board approved the leasing of additional space at International Square on March 30, 1987 (EBM/87/58). Total preoccupancy improvements to this space were originally estimated at \$2,550,000 of which \$200,000 was included in the FY 1987 Administrative Budget and \$2,350,000 was included in the FY 1988 Capital Budget. Based on revised data, including detailed floor plans and competitive bids, it is estimated that costs will be slightly higher than the revised budget. Although some contracts have not yet been issued, the available information indicates that this project will now cost \$2,760,000 which is \$140,000 (5.3 percent) more than the revised budget. The primary reasons for the overexpenditure are higher than expected construction and furnishing costs for the kitchen and cafeteria at International Square.

Concordia Apartments The renovations to the Concordia apartment complex will be completed in FY 1989. This project began in FY 1985, and will have cost an estimated \$5,610,000 upon completion which is \$140,000 (2.4 percent) less than the cumulative administrative and capital budgets for this project (\$5,750,000). Of the remaining renovations included in the FY 1988 Capital Budget (\$590,000), only \$450,000 is now expected to be required for the completion of the remaining construction, and for the sprinkler and elevator improvements.

Bretton Woods Recreation Center This project is for necessary alterations to the Bretton Woods Recreation Center (BWRC) Club House in order to comply with current building and fire codes. In addition to the Fund capital project, the BWRC Board of Directors has been reviewing plans for an expansion to the Club House, the costs of which would be born by the BWRC, Inc. In order to avoid unnecessary expenses for code alterations before the BWRC review is complete, work on the Fund's alterations have been delayed. It is now estimated that the building and fire code alterations will be completed in FY 1989.

II. Equipment For EDP Systems

C—Computing The FY 1988 budget for expenditures in this category is \$1,052,000, and includes the purchase of IBM and Unisys (formerly Burroughs Corporation) equipment and software. At the midyear point, it was estimated that these expenditures would be \$1,046,000. It is now estimated that expenditures will be \$895,000 which is \$157,000 (14.9 percent) less than the original budget due to lower estimates for the acquisition of communications, storage, and printing equipment.

FY 1989 CAPITAL BUDGET

FY 1989 CAPITAL BUDGET PROPOSAL

The FY 1989 capital budget proposal includes four projects totaling \$3,425,000, of which \$3,290,000 is for building space facilities and \$135,000 is for EDP equipment.

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

	Total	FY 1989	FY 1990	FY 1991
I Building Space Facilities:				
A—Headquarters				
(1) Concourse Level	950	950	—	—
(2) Red Level	785	785	—	—
(3) Office Conversions	840	840	—	—
(4) Ground Floor	340	340	—	—
Headquarters Total	2,915	2,915	—	—
B—Other Locations				
(1) Bretton Woods Recreation Center	375	90	285	—
Building Space Total	3,290	3,005	285	—
II Equipment Systems:				
C—Computing				
(1) IBM Systems	135	135	—	—
Capital Projects Total	3,425	3,140	285	—

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. 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 rather than in the capital 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

Four headquarters capital projects costing \$2,915,000 are proposed to commence in FY 1989. Three projects with an estimated combined cost of \$2,575,000 are for major improvements to the Concourse Level, the Red Level, and to offices on several floors at headquarters; these improvements are to accommodate a number of relocations and occupancy changes in connection with the space vacated by

the Joint Library. The fourth project estimated to cost \$340,000 is for the purchase and installation of new heating, ventilation and air conditioning equipment on the ground floor of headquarters.

Concourse Level After carefully considering alternatives, and based on preliminary discussions with departments, it is planned: (1) to move the Records Division to the space that will be vacated by the Joint Library; this will place that division immediately above the new records depository on the Red Level; (2) to move BCS offices from several floors to space on the Concourse level that will be adjacent to the new data center; and (3) to make improvements to the Communications Division workspace in the area to be vacated by the current records depository. The cost of capital improvements in connection with these moves is estimated to be \$950,000 which includes walls, partitions, and other structural work (\$400,000); changes to the ceiling and improvements in the heating, ventilation, air conditioning, and electrical systems (\$400,000); and improvements to the Communications Division area (\$150,000).

Red Level It is proposed to relocate the records depository and the microcomputer testing and repair room to the space in the Red Level that will be vacated by the Joint Library. There are several key factors associated with the design of the building that make the Red Level unacceptable

FY 1989 CAPITAL BUDGET

for general office use; however, the area can be used to accommodate the records storage and the heavy duty electrical, ventilation, and cooling supply systems that are needed to support a microcomputer equipment testing and repair room. The total cost for improvements to the Red Level are estimated to be \$785,000 which includes design, renovations and associated costs (\$335,000); the relocation of the records depository (\$300,000); and the relocation of the microcomputer testing and repair room (\$150,000).

Office Conversions As the modifications and relocations take place to the Concourse and Red levels of headquarters, space on several other floors will become available. Preliminary discussions with departments suggest that \$840,000 will be required to provide remodeling, furniture, and cabling for new offices on various floors of the building. Of this amount, \$370,000 will be required for remodeling and new furniture purchases, \$330,000 will be required for electrical and computer systems cabling, and \$140,000 will be required for carpeting.

Ground Floor Over the past few years, the ground floor of the headquarters building has been modified to accommodate additional offices. The current occupancy now exceeds the capacity of the existing heating, ventilation, and air conditioning systems for the southern section of the building. In order to bring the air quality for that area into compliance with building standards, it is proposed to pur-

chase and install additional equipment costing \$340,000. This equipment is expected to provide satisfactory service for about 20 years.

B—Other Locations' Projects

Bretton Woods Recreation Center A study completed in January 1988 confirmed that there were problems with the adequacy and reliability of the water supply and sewerage system for the Bretton Woods Recreation Center. At periods of high summertime use, the water consumption exceeds the available supply provided by two wells and a water storage tank. Full compliance with the county health codes would require that the recreation center cease all operations during such shortages. Accordingly, it is proposed to replace the 20 year old water system owned by the Fund, and to replace some equipment for the sewerage system at an estimated total cost of \$375,000.

II. Equipment Systems

C—Computing

It is proposed to upgrade IBM minicomputer equipment in order to support improved modelling work and the exchange of economic data at an estimated cost of \$135,000.

Administrative Budget for FY 1989

APPENDICES

APPENDIX I

1977-1987 ACTIVITIES OF THE FUND—SELECTED INDICATORS¹

(Other than financial transactions)

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
1. Member Countries	132	138	140	141	143	146	146	148	149	151	151
2. Executive Board Sessions ²	197	226	209	207	190	211	203	202	206	235	204
3. Executive Board Decisions	621	675	679	671	622	520	614	606	607	677	614
4. Consultation Missions	92	89	95	95	87	107	129	123	135	143	137
5. Resident Representative and Advisor Positions ³	21	21	21	18	17	21	25	29	34	31	30
6. Number of Overseas Trips (A9 and Above Staff)	1,011	1,116	1,168	1,335	1,489	1,517	1,693	1,668	1,718	1,695	1,684
7. Documents Issued											
SM	298	308	295	282	244	249	269	281	345	311	299
EBS	485	720	640	284	251	244	276	271	292	286	272
EBD	260	283	327	350	337	323	340	327	332	340	341
EBAP	356	339	376	380	402	447	312	285	325	327	286
DM	129	117	97	84	95	91	87	80	83	63	5
ID	8	6	7	7	8	2	5	—	—	—	—
SUR	—	—	—	—	—	—	51	121	134	133	126
WPS	—	—	—	—	—	—	—	—	—	17	87
TR	52	70	51	30	3	1	—	—	—	—	—
8. Man-Years of Expert Assistance Provided											
Central Banking Experts	68.6	69.8	75.5	71.3	76.4	77.2	88.1	97.9	93.0	92.0	71
Technical Assistance Panel	26.0	26.2	24.5	24.5	28.5	31.5	32.3	28.7	28.0	23.0	20
	94.6	96.0	100.0	95.8	104.9	108.7	120.4	126.6	121.0	115.0	91
9. IMF Institute Participants Trained	243	245	231	295	300	423	412	446	424	481	490
10. Statistical Time Series Maintained (in thousands)	313	329	369	379	417	432	550	630	880	900	940

¹Calendar years except where indicated otherwise.

²Formal and informal sessions, seminars, and Committees of the Whole.

³The figures shown are for the financial years beginning in each of the calendar years.

APPENDIX II
FY 1978–FY 1988 ADMINISTRATIVE BUDGET EXPENSE TOTALS

FY	Original Budget			Original Budget Revised on Account of General Salary Adjustment and Additional Appropriations			Actual Expense			Adjusted Actual Expenses ¹		
	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
1978	78.4	8.4	12.0	81.5	8.8	12.1	80.4	8.2	11.4	80.4	8.1	11.2
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 ²	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	246.8 (est.)	-0.3	-0.1	246.8 (est.)	-0.3	-0.1

¹Adjusted for retroactive general salary adjustments.

²Includes \$4.8 million for interim general salary adjustment approved in March 1980.

APPENDIX III

FY 1978–FY 1988 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE CATEGORIES

(Budget Categories as Percent of Total Budget)

Object of Expense	Financial Year										1988 (Est.)	Percent Change FY 1988/78		
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987				
I. PERSONNEL EXPENSES														
A. Salaries	47.6	47.0	46.1	44.2	42.2	40.8	41.2	39.5	39.9	41.5	42.9		- 9.9	
B. Other Personnel Expenses	28.3	28.6	28.5	31.6	32.3	32.1	27.9	26.0	26.0	27.0	24.8		- 12.4	
	75.9	75.6	74.6	75.8	74.5	72.9	69.1	65.5	65.9	68.5	67.7		- 10.9	
II. TRAVEL EXPENSES														
C. Business Travel	6.4	6.0	7.5	6.8	7.4	7.3	6.8	6.1	6.5	5.7	5.9		- 7.9	
D. Other Travel	4.9	4.9	5.4	4.9	5.8	5.6	5.3	5.2	4.7	4.8	4.9		—	
	11.3	10.9	12.9	11.7	13.2	12.9	12.1	11.3	11.2	10.5	10.8		- 4.5	
III. OTHER ADMINISTRATIVE EXPENSES														
E. Communications	2.9	2.8	2.8	2.6	2.3	2.5	3.3	2.9	2.4	2.4	2.4		- 17.3	
F. Building Occupancy	3.2	3.6	2.9	3.4	3.2	3.5	4.5	4.5	5.9	5.5	5.4		68.7	
G. Books and Printing	1.4	1.4	1.3	1.1	1.1	1.0	0.9	0.9	1.0	0.9	0.9		- 35.8	
H. Supplies & Equipment	1.6	1.8	1.6	1.6	2.1	2.6	2.2	2.0	2.7	1.6	2.1		31.2	
I. Data Processing	1.9	1.7	2.1	1.4	1.8	2.7	5.2	10.5	8.5	7.5	7.0		268.4	
J. Miscellaneous	1.8	2.2	1.8	2.4	1.8	1.9	2.7	2.4	2.4	3.1	3.7		105.5	
	12.8	13.5	12.5	12.5	12.3	14.2	18.8	23.2	22.9	21.0	21.5		67.9	
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 1978-FY 1988 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense	Financial Year											Percent Change FY 1988/78
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 (est.)	
I. PERSONNEL EXPENSES												
A—SALARIES												
EDs, Alternates and Advisors	1,622	1,794	2,078	2,560	3,352	3,753	4,293	4,325	4,727	4,835	5,000	208.2
Assistants to EDs	1,751	1,941	2,290	2,624	2,693	3,187	3,561	3,796	3,895	4,242	4,480	155.8
Staff	31,682	35,684	41,410	50,248	54,138	61,234	67,810	74,971	80,473	86,236	89,870	183.6
Secretariat of Dev. Committee	250	—	—	—	—	—	—	—	—	—	—	—
TA experts and consultants	2,979	3,332	3,857	4,639	6,044	6,466	7,616	7,618	8,038	7,108	6,610	121.8
Total	38,284	42,751	49,635	60,071	66,227	74,640	83,280	90,710	97,133	102,421	105,960	176.7
B—OTHER PERSONNEL EXPENSES												
Dependency allowances	1,471	1,485	1,688	2,527	2,691	3,076	3,281	3,324	3,381	3,485	3,450	134.5
Settlement allowances and grants	331	486	788	1,064	1,187	5,785	5,302	6,938	6,227	6,874	8,390	2,434.7
Overseas allowance	877	1,108	1,552	1,533	1,728	1,993	2,017	2,121	2,443	2,588	2,910	231.8
Children's education allowances	553	619	830	1,043	1,388	1,561	1,751	1,996	2,185	2,363	2,740	395.4
Study allowances and training	312	300	394	511	644	606	700	707	1,045	980	1,100	252.5
IMF Institute living allowances	434	430	513	587	641	710	752	718	795	829	900	107.3
Tax allowances	5,665	6,379	7,277	9,896	11,071	9,718	9,179	9,728	9,491	11,458	11,100	95.9
Retirement contributions	10,774	13,154	15,463	22,448	27,879	30,368	28,872	28,175	31,801	30,658	19,210	78.3
Termination incentives	121	122	116	681	510	492	918	905	1,073	2,745	5,660	367.8
Health benefits	1,750	1,467	1,536	1,870	2,518	3,301	2,918	3,882	3,942	4,739	4,720	169.7
Life insurance and death benefits	123	50	58	174	6	259	86	187	-23	125	170	89.4
Social and welfare expenses	89	109	109	139	140	178	173	195	203	274	290	125.8
Food services	266	291	354	375	405	542	531	574	708	603	600	125.5
Total	22,766	26,000	30,678	42,848	50,808	58,589	56,480	59,450	63,271	67,720	61,240	169.0
Total Personnel Expenses	61,050	68,751	80,313	102,919	117,035	133,229	139,760	150,160	160,404	170,141	167,200	173.9
II. TRAVEL EXPENSES												
C—BUSINESS TRAVEL												
Meetings of Governors	871	766	2,138	1,293	1,888	2,512	1,284	1,358	3,546	1,485	1,580	81.4
Other business travel	4,297	4,657	5,885	7,947	9,749	10,914	12,394	12,330	12,394	12,064	12,900	200.2
Total	5,168	5,423	8,023	9,240	11,637	13,426	13,678	13,688	15,940	13,549	14,480	180.2
D—OTHER TRAVEL												
Settlement travel	2,054	2,484	2,976	3,559	4,193	4,558	4,280	4,698	5,180	4,582	5,150	150.7
Home leave travel	1,264	1,344	1,853	2,159	3,731	4,337	4,954	4,899	4,475	5,106	4,900	287.6
Miscellaneous travel	579	656	961	928	1,177	1,312	1,454	1,722	2,016	2,126	2,160	273.0
Total	3,897	4,484	5,790	6,646	9,101	10,207	10,688	11,319	11,671	12,085	12,210	214.8
Total Travel Expenses	9,065	9,907	13,813	15,886	20,738	23,633	24,366	25,007	27,611	25,643	26,690	194.4

APPENDIX IV (continued)

FY 1978-FY 1988 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense	Financial Year											Percent Change FY 1988/78
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 (est.)	
III. OTHER ADMINISTRATIVE EXPENSES												
E—COMMUNICATIONS												
Postage and freight	724	836	1,019	1,129	1,486	1,798	1,870	2,051	2,324	2,730	2,530	249.4
Telephone	785	797	985	1,127	1,173	1,808	3,832	3,579	2,410	2,289	2,200	180.2
Telegraph	794	914	995	1,226	948	946	1,021	1,122	1,261	1,324	1,260	58.7
Total	<u>2,303</u>	<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>5,990</u>	<u>160.1</u>
F—BUILDING OCCUPANCY												
Maintenance and operations	1,721	1,716	2,006	2,300	2,780	2,918	3,913	3,284	3,739	4,569	5,640	227.7
Utilities	1,019	1,009	989	1,355	1,601	1,782	2,139	2,595	2,537	2,313	2,450	140.4
Alterations	84	595	203	579	335	1,026	2,022	3,020	5,936	4,333	2,730	225.0
Rentals	(281)	10	(34)	348	399	657	1,006	1,398	2,338	2,069	2,520	n.a.
Total	<u>2,543</u>	<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>13,340</u>	<u>424.6</u>
G—BOOKS AND PRINTING												
Books and periodicals	298	312	389	484	504	631	666	623	740	754	805	170.1
Contractual printing	849	928	1,032	1,068	1,216	1,114	1,093	1,239	1,629	1,487	1,245	46.6
Total	<u>1,147</u>	<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>2,050</u>	<u>78.7</u>
H—SUPPLIES AND EQUIPMENT												
Purchase of furn. and equip.	316	457	442	544	1,203	2,612	2,326	1,955	3,999	1,826	1,910	504.4
Rental of equipment	461	526	570	765	855	887	456	542	633	593	1,125	144.0
Maintenance of equipment	119	160	126	226	354	458	632	572	446	381	335	181.5
Expendable supplies	406	487	524	679	837	833	1,044	1,262	1,607	1,361	1,840	353.2
Total	<u>1,302</u>	<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>5,210</u>	<u>300.2</u>
I—DATA PROCESSING												
Fund Computer Facilities	1,198	1,355	1,802	1,519	2,462	3,029	4,945	7,266	8,164	6,051	6,770	465.1
Contractual support	—	—	—	—	—	—	2,170	4,114	4,951	5,032	3,750	n.a.
Other data processing	338	174	426	422	406	1,879	3,413	12,461	7,639	6,483	6,740	1,894.1
Total	<u>1,536</u>	<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>17,260</u>	<u>1,023.9</u>
J—MISCELLANEOUS												
Representation	276	318	335	404	468	480	616	656	620	780	720	160.7
Insurance	182	393	539	355	401	444	398	424	543	798	795	336.8
Misc. contractual services	794	1,193	1,067	2,543	2,013	2,532	4,709	4,734	5,016	6,440	7,745	875.4
Sundries	189	122	47	(88)	(63)	12	(243)	(182)	(222)	(246)	(240)	n.a.
Total	<u>1,441</u>	<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>9,020</u>	<u>525.9</u>
Total Other Adm. Expenses	<u>10,272</u>	<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>52,870</u>	<u>414.7</u>
Total	<u>80,387</u>	<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>246,760</u>	<u>207.0</u>
Retroactive Adjustment ¹	+45	-415	-246	-7,074	+8,200	—	—	-1,480	+1,480	—	—	—
Officially Recorded Total	<u>80,432</u>	<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>246,760</u>	<u>206.8</u>

¹The 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 1978-FY 1988 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 78-88
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	
MANAGEMENT	7	8	6	6	6	7	7	7	6	7	7	—
African ¹	85	87	88	92	100	103	109	113	117	117	128	50.6
Asian ²	61	58	58	59	61	61	62	61	61	61	64	4.9
European ³	68	69	69	70	73	77	83	84	84	83	83	22.1
Middle Eastern ⁴	40	42	43	45	45	45	45	45	45	44	44	10.0
Western Hemisphere ⁵	85	84	87	88	89	90	97	101	104	106	106	24.7
Area Departments	339	340	345	354	368	376	396	404	411	411	425	25.4
Central Banking	21	21	21	21	21	22	23.5	23.5	24.5	24.5	24.5	16.7
Exchange & Trade Relations	68	70	71	72	78	83	88	90	90	91	93	36.8
Fiscal Affairs	67	69	69	70	73	75	77.5	78.5	80.5	80.5	81.5	21.6
IMF Institute	51	52	52	53	55	57	58	60.5	64.5	64.5	63.5	24.5
Legal	32	32	32	33	34	34	34	34	34	34	34	6.3
Research ⁶	69	70	70	72	74	77	80	82	83	84	87	26.1
Treasurer's ⁷	113	113	118	119	130	130	130	130	131	131	133	17.7
Functional & Special Service Departments	421	427	433	440	465	478	491	498.5	507.5	509.5	516.5	22.7
External Relations ⁸	45	44	47	47.5	54.5	55	57	58	58.5	58.5	59.5	32.2
Bureau of Statistics ⁹	95	95	95	97	99	102	107	111	112	116	116	22.1
Office in Europe	13	14	14	14	15	15	15	15	15	15	15	15.4
Office in Geneva	3	3	3	6	6	6	6	6	6	6	6	100.0
Special Representative to UN	2	2	2	2	2	2	2	2	2	2	—	-100.0
Information, Statistics & Liaison	158	158	161	166.5	176.5	180	187	192	193.5	197.5	196.5	24.4
Administration ¹⁰	201	203	206	210	215	216	219	223.5	224.5	224.5	227	12.9
Secretary's ¹¹	81	81	82	83	85	87.5	89.5	95.5	99.5	100	99	22.2
Bureau of Computing Services ¹²	62	63	65	65.5	65.5	64.5	66.5	73.5	74.5	71	73	17.7
Bureau of Language Services	91	91	91	96	100	100	100	100	100	100	97	6.6
Internal Auditor	6	6	7	7.5	7.5	7.5	7.5	8	8	8	9	50.0
Investment Office - SRP	—	—	—	—	—	—	—	—	2	3	3	—
Support Services	441	444	451	462	473	475.5	482.5	500.5	508.5	506.5	508	15.2
Resident Representatives & Advisors	21	21	21	18	17	21	25	29	34	31	30	42.9
Secretarial Staff	7	8	7	18.5	20.5	21.5	21.5	27.5	27.5	28.5	28.5	307.1
Support Group	28	29	28	36.5	37.5	42.5	46.5	56.5	61.5	59.5	58.5	108.9
TOTAL	1,394	1,406	1,424	1,465	1,526	1,559	1,610	1,658.5	1,688	1,691	1,711.5	22.8

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:

¹AFD: FY 77, -3; FY 78-80, -1.
²ASD: FY 77, -6; FY 78, -7; FY 79-80, -8.

³MED: FY 77, -4; FY 78, -5; FY 79, -3; FY 80, -4.

⁴WHD: FY 77-78, -8; FY 79, -9; FY 80, -8.

⁵Support Group: addition of all positions shown FY 77-80.

⁶RES: FY 77, -26; FY 78-79, -3; FY 80-82, -6.

⁷TRE: FY 77-80, -12; FY 81-82, -13.

⁸EXR: 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 FY 1984: FY 77-80, +7; FY 81-82, +7.5; FY 83, +7.

⁹STAT: FY 78-79, -17; FY 80-82, -18.

¹⁰ADM: FY 77-78, -30; FY 79, -31; FY 80, -29; FY 81-82, -28.5.

¹¹SEC: FY 77-79, -20; FY 80, -22.

¹²BCS: addition of all positions shown, FY 77-82.

APPENDIX VI

FY 1978-FY 1988 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	1978-88	1983-88
	(A) Additional Positions ¹											
Management	1	-2	—	—	1	—	—	1	1	—	—	1
Area Departments	1	5	9	14	8	20	8	7	—	14	84	57
Functional & Special												
Service Departments	6	6	7	25	13	13	7.5	9	2	7	97.5	44.5
Information, Statistics, & Liaison	—	3	5.5	10	3.5	7	5	1.5	4	-1	40.5	20
Support Services	3	7	11	11	2.5	7	18	8	-2	1.5	64.0	33.5
Support Group	1	-1	8.5	1	5	4	10	5	-2	-1	29.5	21
TOTAL	12	18	41	61	33	51	48.5	29.5	3.0	20.5	315.5	185.5
	(B) Percentage Increase in Staff Ceiling ²											
Management	—	—	—	—	—	—	—	—	—	—	—	—
Area Departments	0.3	1.5	2.6	3.9	2.2	5.3	2.0	1.7	—	3.4	25.4	13.0
Functional & Special												
Service Departments	1.4	1.4	1.6	5.7	2.8	2.7	1.5	1.8	0.4	1.4	22.7	8.1
Information, Statistics, & Liaison	—	1.8	3.4	6.0	1.9	3.9	2.7	0.8	2.1	-0.5	24.4	9.2
Support Services	0.7	1.6	2.4	2.4	0.5	1.5	3.7	1.6	-0.4	2.9	15.2	6.8
Support Group	3.5	-3.5	30.3	27.4	13.3	9.4	21.5	8.9	-3.3	-1.7	108.9	37.6
TOTAL	0.8	1.3	2.9	4.2	2.2	3.3	3.0	1.8	0.2	1.2	22.8	9.8

¹Includes positions added or deleted during the course of the year.

²Data 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 1978–FY 1988 FINANCIAL TRANSACTIONS

	Financial Year										
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 (10 mos.)
	<u>Number</u>										
I. General Resources Account											
A. Member Countries at End of Period	134	138	140	141	145	146	146	148	149	151	151
B. Transactions in General Resources Account											
1. Stand-By Arrangements	18	14	24	21	21	27	26	24	18	25	22
2. Extended Arrangements	—	4	4	10	5	4	2	—	1	1	2
3. Purchases											
Reserve Tranche	11	16	17	19	39	37	82	17	3	13	2
Credit Tranche	32	30	51	73	62	75	114	94	87	131	70
Buffer Stock	—	2	5	—	—	14	5	—	—	—	—
Compensatory Financing	9	19	27	21	25	33	14	15	10	10	7
Extended Facility	2	8	11	19	30	23	30	9	7	8	12
Total	54	75	111	132	156	182	245	135	126	162	91
4. Repurchases	212	432	665	744	700	472	479	837	990	1,271	1,270
5. Reconstitutions	75	41	1	9	—	—	—	—	—	—	—
6. Acquisitions ¹	—	—	—	—	18	90	187	235	270	298	173
7. Total Purchases, Repurchases and Reconstitutions (3. + 4. + 5. + 6.)	341	548	777	885	874	744	911	1,207	1,386	1,569	1,443
	<u>In millions of SDRs</u>										
8. Total Purchases	2,503	3,720	2,434	4,860	8,041	11,392	11,518	6,289	4,101	3,685	3,183
9. Total Repurchases	4,485	4,859	3,793	2,853	2,010	1,555	2,018	2,730	4,289	6,169	6,918
10. Reconstitution of SDRs from the General Resources Account	467	75	5	20	—	—	—	—	—	—	—
11. Acquisitions of SDRs for payment of charges ¹	—	—	—	—	24	162	330	953	1,550	750	382
12. Total Purchases, Repurchases and Reconstitutions (8. + 9. + 10. + 11.)	7,455	8,654	6,232	7,733	10,075	13,109	13,866	9,972	9,940	10,604	10,483
C. Total Quotas of Members at End of Period	32,346	39,011	39,017	59,606	60,685	61,060	89,236	89,302	89,305	89,988	89,988

¹Data not available before FY 1982.

APPENDIX VII (continued)
FY 1978—FY 1988 FINANCIAL TRANSACTIONS

	Financial Year										1988 (10 mos.)
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	
	<u>Number</u>										
II. SDR Department											
A. Holders at End of Period											
1. Participants	122	137	140	141	144	146	147	148	149	151	151
2. Prescribed holders	1	1	6	10	12	14	14	14	14	16	16
B. Number of Transactions and Operations¹											
1. Transactions with Designation	100	152	238	142	129	146	106	126	136	140	140
2. Transactions by Agreement	74	55	59	81	197	161	258	325	270	370	409
3. Operations ²	117	122	136	144	151	172	456	715	730	823	888
4. Transfers to and from the General Resources Account ³	717	781	1,002	1,365	1,279	974	1,246	1,255	1,338	1,629	1,460
5. Total Transfers (1. + 2. + 3. + 4.)	1,008	1,110	1,435	1,732	1,756	1,453	2,066	2,421	2,474	2,962	2,797
	<u>In millions of SDRs</u>										
C. Volume of Transfers											
1. Transactions with Designation	398	1,080	1,372	1,883	1,874	2,713	2,402	2,153	1,809	1,276	986
2. Transactions by Agreement	927	1,533	362	418	1,242	1,281	3,175	2,706	2,677	3,925	6,193
3. Operations ⁴	57	71	190	223	403	669	1,382	487	424	1,091	1,090
4. Transfer to and from the General Resources ³	3,201	2,674	3,152	9,712	5,453	6,307	15,708	10,357	10,724	9,312	9,687
5. Total Transfers (1. + 2. + 3. + 4.)	4,583	5,358	5,076	12,236	8,972	10,970	22,667	15,703	15,634	15,604	17,956
D. Cumulative SDR Allocations at End of Period											
	9,315	13,348	17,381	21,433	21,433	21,433	21,433	21,433	21,433	21,433	21,433

¹Defined 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.

²Including payment of net charges or receipt of the net interest for each holder in the SDR Department.

³Interest on SDR holdings received by the General Resources Account is reflected in this line.

⁴The 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 1978–FY 1988 INCOME, EXPENSES AND RESERVES
(In millions of SDRs)

	Financial Year										
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 (10 mos.)
Operational Income	839.6	753.3	614.2	882.3	1,788.9	2,045.3	2,792.0	3,482.1	3,029.5	2,250.7	1,547.3
Operational Expense	741.6	633.7	525.0	702.3	1,543.5	1,788.5	2,526.2	3,287.7	2,727.9	1,973.7	1,330.0
Net Operational Income	98.0	119.6	89.2	179.9	245.4	257.0	265.8	194.3	301.6	277.0	214.3
Net Administrative Budget Expense	65.9	68.6	81.3	98.9	142.4	164.9	188.9	224.4	220.5	190.9	136.2
Net Fixed Property Expense	—	—	0.3	1.3	11.4	15.5	3.9	0.5	0.4	—	1.9
Total Administrative and Fixed Property Expense	70.5 ^{1,2}	73.4 ^{1,2}	86.1 ^{1,2}	99.9 ^{1,2}	153.3 ¹	191.4 ^{1,3}	192.8 ¹	224.2 ¹	223.4 ¹	190.9 ¹	138.1 ¹
Net Income or Expense (–)	27.5	46.2	3.1	80.1	92.0	65.4	73.1	–29.9	78.1	86.1	76.2
Reserves:											
General	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	441.8 ⁴
Special	348.4	394.5	397.6	477.7	569.7	635.1	708.2	678.3	756.5	842.5	842.5
Total	<u>714.0</u>	<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>1,284.3</u>

Note: Due to rounding to nearest SDR 0.1 million, figures may not add up.

¹Includes amounts for net valuation adjustment.

²Includes amortization of past service liabilities of the Staff Retirement Plan.

³Includes cumulative effects (to April 30, 1982) of changing the method of accounting for compensated absences and accumulated separation grants (SDR 11.0 million).

⁴Includes year-to-date income provisionally placed to the General Reserve pending decision by the Executive Board.

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