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April 1, 1987

To: Members of the Executive Board
From: The Secretary
Subject: Administrative and Capital Budgets for FY 1988

In accordance with Section J-4 of the Rules and Regulations, and with the Executive Board's discussion on the presentation of a capital budget at EBM/86/186 (11/21/86), attached are the proposed Administrative and Capital Budgets for FY 1988. These are scheduled for discussion by the Executive Directors on Wednesday, April 15, 1987.

Att: (1)

Other Distribution:
Department Heads

FINANCIAL YEAR 1988

**ADMINISTRATIVE
and
CAPITAL
BUDGETS**



INTERNATIONAL MONETARY FUND

ADMINISTRATIVE AND CAPITAL BUDGETS

For Financial Year 1988

International Monetary Fund

Washington, D.C.

March 1987

ADMINISTRATIVE AND CAPITAL BUDGETS FOR FINANCIAL YEAR 1988

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Managing Director's Statement on the Administrative and Capital Budgets for Financial Year 1988

INTRODUCTION

1. Pursuant to Section J-4 of the Rules and Regulations, I am presenting herewith, for the Executive Directors' consideration and approval, the Administrative Budget for FY 1988, which covers the 12 months beginning May 1, 1987. In addition, in line with the Executive Board discussion on the presentation of a capital budget at EBM/86/186 (11/21/86), I am also presenting for the Executive Directors' consideration and approval, the Capital Budget for FY 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 21 to 39), by unit of organization (pages 43 to 93), by object of expense (pages 97 to 108), and by capital expense (pages 111 to 113). 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. As noted in the FY 1987 Midyear Review (EBAP 86/308, 12/10/86), the analysis of manpower has been widened to further describe, at the departmental level, all types of manpower including temporary assistance, overtime, consultants, and experts. Departmental work load indicators have also been expanded this year to provide a more quantitative and comprehensive means of assessing work load pressure and staffing needs.

GENERAL FINANCIAL PICTURE

Administrative Budget in FY 1987 and FY 1988

3. The Administrative Budget for FY 1987, as approved by the Executive Board on April 14, 1986, totalled \$242.8 million (SDR 210.1 million).¹ On November 19, 1986, the Executive Board approved a \$3.4 million supplementary appropriation for the 1986 General Salary Adjustment (GSA). At EBM/87/55 (3/27/87), the Executive Board approved a second supplementary appropriation of \$1.3 million to provide for additional administrative expenses, thereby raising the budget ceiling to \$247.6 million (SDR 200.9 million).² The proposed Administrative Budget for FY 1988 is \$245.3 million (SDR 193.9 million).³ This amount does not include capital items which are the subject of a separate capital budget (see paragraph 4), nor does it include the cost of a general salary adjustment for 1987. For reference purposes, it should be noted that each 1 percent increase in staff salaries would cost about \$1.5 million⁴ (SDR 1.2 million) on an annual basis and result in a 0.6 percent increase in total administrative expenses. A brief analysis of the FY 1988 Administrative Budget is shown in paragraphs 25-27 of this statement.

Capital Budget in FY 1988

4. Beginning in FY 1988, a separate capital budget is being presented for the approval of the Executive Board. The capital budget covers projects which are of a capital nature and cost at least \$100,000. The total cost of these capital projects is shown over a multi-year period. The proposed Capital Budget for FY 1988 includes expenditures of \$8.4 million (SDR 6.6 million). A brief analysis of the capital budget is given in paragraphs 28 and 29 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 include capital outlays nor reimbursements of expenses for conducting the business of the SDR Department and the Structural Adjustment Facility (SAF), details of which can be found in paragraphs 33-35. While these expenses are part of the administrative budget (e.g. personnel and travel costs), their reimbursement is not incorporated in that budget but rather reflected in the income statement as a deduction from total administrative expenses. The total net administrative and capital expenses over the three-year period, FY 1986-FY 1988, including these reimbursements are shown in Table 1.

6. The tight budget stance which was adopted during FY 1987 is projected to continue to a large extent in FY 1988, as the statistics in the table show. Administrative budget expenses, exclusive of the GSA and adjusted for the expenses of administering the SDR department and the SAF, declined by 3.1 percent in FY 1987 and are

¹ Converted at U.S. \$1.00 = SDR 0.865173 as of February 28, 1986.

² SDR estimates for FY 1987 expenses are as follows: actual expenses through February 28, 1987 in terms of SDRs plus estimated U.S. dollar expenses for March and April 1987 converted at the rate of U.S. \$1.00 = SDR 0.790400 as of March 2, 1987.

³ All FY 1988 figures expressed in SDRs are converted at the rate of U.S. \$1.00 = SDR 0.790400 as of March 2, 1987.

⁴ Including 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
ITEMS OUTSIDE THE ADMINISTRATIVE BUDGET**
(In millions of U.S. dollars)

	FY 1986	FY 1987	FY 1988	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
Administrative Budget Expenses					
excluding GSA and capital expenses	242.4	242.9	245.3	+ 2.4	1.0
Reimbursement for administering the SDR department	-4.0	-5.0	-5.9	- 0.9	
Reimbursement for administering the Structural Adjustment Facility	—	-6.9	-8.0	- 1.1	
Net Administrative Budget Expenses excluding GSA and capital expenses	238.4	231.0	231.4	+ 0.4	0.2
Capital Expenses ¹	0.5	1.3	8.4	+ 7.1	
Total Net Expenses excluding GSA	238.9	232.3	239.8	+ 7.5	3.2
GSA	3.4	3.4	7.5	+ 4.1	
Total Net Expenses	242.3	235.7	247.3	+ 11.6	4.9

¹Excluded from administrative expenses in FY 1986.

projected to increase by only 0.2 percent in FY 1988. Even after a sizable increase in capital outlays and an anticipated GSA of 5 percent (which appears to be indicated by movements in the U.S. comparator market)¹ are taken into account, the rate of increase in total net

expenses, adjusted for SDR and SAF reimbursements, is projected to amount to 4.9 percent in FY 1988. As this growth rate is about equal to the implicit price deflator, Fund expenses so defined are not expected to increase in real terms in FY 1988.

WORK PROGRAM IN FINANCIAL YEAR 1988

7. In CY 1986, the work load in connection with operations and relations with member countries continued at a high level as indicated, among other things, by the number of negotiations conducted with member countries. In total, there were 216 negotiations conducted for the use of Fund resources, compared with 218 in 1985, of which 76 were conducted at headquarters (69 in 1985) and 48 were within the framework of an Article IV consultation mission (46 in 1985). The year was marked by the introduction of the SAF in March 1986 and a consequential intensification of collaboration with the World Bank. These activities added to an already heavy work load, especially in connection with African countries. During the last nine months of CY 1986, the SAF-related work load absorbed the equivalent of some 30 man-years of staff time, of which about one third was handled by the staff of the African Department. It is projected that the high level of operational and country work will continue to increase in FY 1988, particularly under the SAF. Staff time devoted to SAF-related activities is estimated to rise further to a level of about 47 man-years, as it is expected that discussions on SAF arrangements will be held with most eligible members during the coming year. Altogether, about 55 countries are expected to request use of Fund resources in the coming year, compared with 43 in 1986, and 36 in

1985. In addition to the higher volume of operational activity, the volume of financial activity is expected to continue to rise, especially the number of repurchase transactions, which reflect the sharp increase in the use of Fund resources during the period 1981-1984. The problem of overdue obligations will continue to require considerable staff attention during FY 1988, including the need for missions to assist countries to take measures that will facilitate efforts to settle their obligations to the Fund. Although the implementation of the simplified interim consultation procedure endorsed recently by the Executive Board, and efforts to streamline Article IV reports will help reduce pressures associated with the consultation process, it is expected that Article IV consultations will continue to require a large commitment of staff resources.

8. There will also continue to be a heavy program of work in connection with general policy development and research. In the first part of the year, the work program is expected to include follow-up activities arising from the April 1987 meetings of the Interim and Development Committees. In conjunction with a strengthening of the Fund's surveillance activities, the expanded scope of the World Economic Outlook is likely to continue, with special attention being given to the use of indicators in surveillance and the analysis of conditions of, and requirements for, effective coordination of economic policies of member countries. The continuing work on the functioning of the international monetary system and the role of the SDR in the system will place further demands on staff resources.

¹A paper on the 1987 Staff Compensation Review will be forthcoming shortly.

The Research Department will launch an in-depth re-examination of the issues underlying the design of programs of economic adjustment and, more generally, will undertake additional studies aimed at improving Fund policy advice to member countries. This program of research, which is expected to continue beyond FY 1988, will include in-depth reviews, undertaken in collaboration with area and functional departments, of the experience with various programs, and will complement the comprehensive annual reviews of the experience with Fund-supported adjustment programs undertaken by the Exchange and Trade Relations Department. Other policy issues will include work on the Ninth General Review of Quotas and reviews of (i) the policy on enlarged access and access limits for FY 1988; (ii) the Fund's liquidity and borrowing needs, including further reviews of the management of the Fund's liquidity and its use of ordinary and borrowed resources in financing operations; (iii) policies and procedures relating to overdue financial obligations to the Fund, including further analyses of the issue of provisioning; (iv) matters relating to conditionality, including the monitoring of supply-side policies; (v) the Structural Adjustment Facility; (vi) the Compensatory Financing Facility; and (vii) the Fund's financial position and the decision on burden sharing.

9. It is proposed to increase the resources for the program of special services to member countries in real terms during FY 1988. The IMF Institute program for FY 1988 includes provision for 5,193 participant-weeks of training (equivalent to 99.9 man-years) compared with 4,764 participant-weeks (91.6 man-years) in FY 1987. The increase of 9 percent in participant-weeks between FY 1987 and FY 1988 reflects the restoration of a second balance of payments course that was not offered in CY 1986 due to budgetary constraints on the overall size of the program. The Institute's external training program will include 4 or 5 overseas seminars (4 in CY 1986) designed to meet the special needs of the host and neighboring countries. Technical assistance services provided by staff of the Fiscal Affairs and Central Banking Departments, and the Bureau of Statistics, and technical assistance provided by experts is expected to rise in the coming year, with expert man-years projected to increase by 4 percent from 111 man-years in FY 1987 to 115 man-years in FY 1988. It is also expected that technical assistance services provided by the area and other functional departments will continue at the current high level. To provide for increased flexibility and control, the budget of the experts program beginning in FY 1988 will be based on a dollar ceiling instead of the ceiling on man-years. The dollar ceiling will initially apply only to the net salary costs of experts to the Fund after deducting host country contributions, but will be expanded in later years to include benefits and other overheads once a review in this area is completed. On that basis, the dollar budget for experts is expected to rise by nearly 5 percent in FY 1988. The staff of the Legal Department will continue to provide technical assistance in the drafting of banking and fiscal legislation. The possibility of establishing, in future years, a small program for expert legal technical assistance in the fiscal field will also be explored.

10. Important features of the statistical services work program in FY 1988 will include (i) the implementation of the recommendations of the Working Party on the statistical discrepancy in global current account balances; (ii) the further development of the new Economic Information System through the enhancement of data integration and data sharing with other Fund departments; (iii) the extension and improvement of the data base on international banking statistics; and (iv) further development of a comprehensive data base on the external debt of individual countries. External relations activities will feature intensified contacts with nonofficial groups, especially the media, in order to explain the role and functions of the Fund, particularly in the areas of debt strategy, the strengthening of Fund surveillance and the monetary system, and the coordination of industrial country policies. The program of exhibits, films and lectures at the IMF Visitors' Center, which commenced operations in June 1986, will be maintained at about the present level. Items in the publications program will include a study of the Fund's role in the area of balance of payments adjustment over the period 1946-86, and the proceedings of the Fund-Bank symposium on growth-oriented adjustment programs.

11. Work in connection with other international organizations will focus on 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 substantially with the initiation of a new round of multilateral trade negotiations. Attention will also be given to discussions on trade, finance, and banking legislation, and other issues which will arise in the forums of the OECD, UNCTAD, and other international organizations. The Fund will also continue to be involved in the ongoing statistical work, including the revision of the United Nations—A *System of National Accounts*.

12. In FY 1988, major tasks in the field of support services will include further implementation of the recommendations emanating from the Job Grading exercise, reviews of mobility and promotion policies, revisions of compensation policies that are likely to emerge from the work of the Joint Committee on Compensation, reviews of the Staff Retirement Plan and the tax allowance system, and an expanded training program, including special training for staff in downgraded positions. Implementation of a Fund-wide Security Action Plan will continue in FY 1988, with emphasis on improving building security, reducing the risk of leaks of sensitive information and enhancing computer security. In the data processing area, the overall budget constraints for FY 1988 will require a continued deceleration in EDP expenditures for the development of new automated systems. However, this trend will be partially offset by additional production and maintenance expenditures as the newly developed systems become fully operational. In the budget field, the newly-developed information and expenditure control system will provide a more effective means of cost control and, through the establishment of additional departmental discretionary budgets, will help to improve resource management in the departments.

BUDGET PROPOSALS FOR FY 1988

Assumptions and Framework of the FY 1988 Administrative and Capital Budgets

13. There has been a substantial increase in the administrative expenses of the Fund since the early 1950's. During the period from FY 1952 to FY 1987, the annual average increase in expenditure was 12.2 percent in nominal terms and 7.6 percent in real terms. Much of the impetus for the growth in budget expenditures in real terms in the early decades of the Fund's history came from a steadily increasing staff that were needed to meet the demands placed on the Fund by the increasing membership. During the three decades from FY 1952 until FY 1982, the average annual increase in the staff ceiling was 4.3 percent, accounting for more than half the increase in real total expenditures. Since then, there has been a rapid increase in the level of data processing expenses; over the last five years, the Fund has spent close to \$120 million (about 11 percent of total outlays during that period) as part of a major effort to replace outdated production systems. The decision to invest these substantial funds in automation was based, in part, on the expectation that the resulting productivity gains would make it possible to meet the continually rising demand for services that resulted from the aftermath of the second oil shock and the debt crisis, as well as to improve the quality of the Fund's research and analytical work without an excessive increase in staff. The objective to meet the increasing work demands with only moderate increases in staff levels has largely been achieved; the growth in the staff ceiling during the past five years has declined to an average annual increase of 2.1 percent, although the increased use of temporary assistance, including short-term contractual EDP staff, has resulted in a somewhat higher annual increase in manpower during this period. Additional information on the growth of Fund expenses and the staff ceiling is shown on page 5.

14. There has been a marked change in the pattern of manpower utilization in the Fund during the last few years. In FY 1981, the use of effective manpower in the Fund was 1,645 man-years, of which 1,415 man-years (86 percent) were for net regular staff positions adjusted for vacancies, 97 man-years (6 percent) were for technical assistance experts and the remaining 133 man-years (8 percent) were for overtime and other temporary forms of assistance including contractual personnel and consultants. By FY 1987, manpower utilization had increased to an estimated 2,063 man-years, of which 1,610 man-years (78 percent) were for net regular staff positions, 111 man-years (5 percent) were for technical assistance experts, and 342 man-years (17 percent) were for temporary assistance. Of the increase of 209 man-years of temporary assistance during this six-year period, about 80 man-years were for contractual employees with special skills to assist in developing the new automation systems in the Fund. The use of outside, short-term contractual employees not only provides skills that are not always available within the regular staff, but is also more cost effective as it often eliminates the need to establish regular positions for

employees whose skills may only be needed for a relatively short period.

15. For the coming year, taking into account efforts to streamline Fund work and be rigorous in setting priorities, it is anticipated that the steady increase in the work load of the Fund will continue, particularly in the area of country operational work where the substantial resources devoted to the introduction of the SAF in FY 1987 are expected to increase in FY 1988. There will also be an intensification in the program of general policy development and research, as the focus of the Fund's activities in this area will concentrate on the review of the Fund-supported adjustment programs and the increased use of indicators in surveillance. The technical assistance program will be enlarged from its current level, and the problem of overdue financial obligations to the Fund will require continued attention. To accommodate the projected increase in the Fund's work load, it will be necessary to provide additional resources. However, this increase in manpower will be offset somewhat by the more efficient utilization of staff, through the reallocation of some staff positions between departments, and the filling of positions vacated by staff leaving during FY 1988 under the Early Retirement Assistance Scheme (ERAS) with staff at an appropriate grade. It is also expected that the gains coming from the transfer to production of a number of EDP development projects in the next year or two will limit the need for additional staff members.

16. In addition to the need to provide additional resources to meet the increased work load anticipated next year, there are also a number of nonrecurring expenses and capital projects that will have to be funded in the coming year. Nonrecurring expenses in FY 1988 are estimated to be \$6.2 million; most of this expense is on account of the ERAS (\$5.5 million), an increase of \$4.4 million over the estimated outlay in FY 1987. The capital expenses of \$8.4 million proposed for FY 1988 include two major items. At EBM/87/30 (2/20/87), the Executive Board approved the construction of a computer center on the concourse level of the headquarters building at a total estimated cost of \$4.0 million; of this total, some \$3.6 million will fall into FY 1988. The steady growth in the Fund's manpower over the past few years along with the acquisition of automation equipment have created very serious office space problems. Based on EBAP/87/61, as approved by the Executive Board on March 30, 1987, it is proposed to lease contiguous additional space at International Square in FY 1988 at a cost of \$2.4 million for conversion expenses. These nonrecurring and capital expenses will, however, be offset by lower expenses for the Staff Retirement Plan. The introduction of a new funding method for the SRP (EBM/87/52, 3/23/87) and the recent excellent investment experience of the Plan will reduce the Fund's net contribution to the Plan by \$11.7 million dollars in FY 1988.

17. After carefully considering the projected increase in the staff work load in FY 1988, the work pressure already faced by the staff, the decline in real expenditures in the current financial year, and the continued desire of

GROWTH IN THE FUND'S STAFF CEILING AND THE ADMINISTRATIVE BUDGET

Over the past 35 years, the administrative budget expenses of the Fund have increased from \$5 million to \$250 million. Between FY 1952 and FY 1987, the average annual increase was 12.2 percent in nominal expenses and 7.6 percent in real expenses using the Washington Consumer Price Index (CPI) as a deflator; as the table indicates, annual variations in these growth rates have been high.

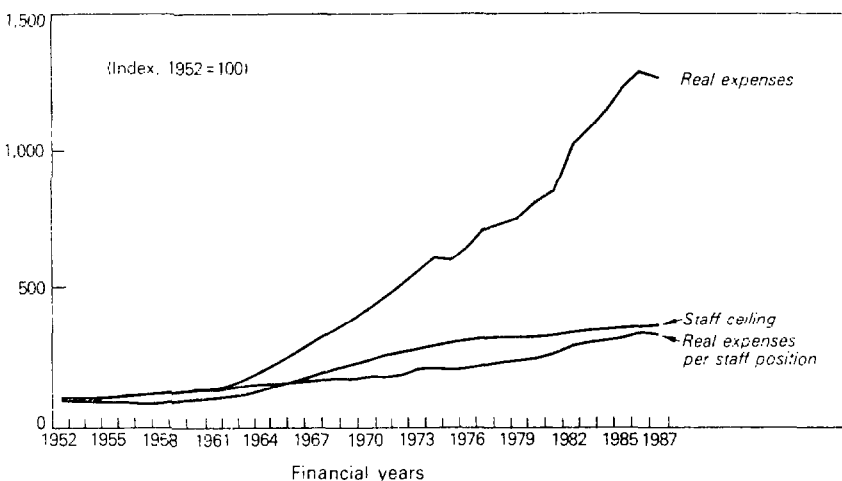
It should be recognized that the correct price deflator would be one that reflects price movements of the various items in the Administrative Budget. Such a deflator would include the effect of salary adjustments, exchange rate fluctuations and the impact of a number of other price movements that are specific to the budget. This comprehensive deflator, however, is only available for the last few years; consequently, it has been necessary to use the CPI (which tends to understate the actual increase in prices of items in the Fund's budget) to obtain a comparable deflator over time.

In FY 1952, the Fund's Administrative Budget was \$4.7 million and, with a staff ceiling of 445, total administrative expenditures per staff position, including the value of salaries and benefits, travel expenses, and other administrative costs, was \$10,600. By the end of the 1960s, this per capita expenditure had increased by almost 136 percent to \$25,000. The steady increase in inflationary pressures in the early 1970's raised the average to \$41,100 in FY 1975, and this accelerating upward trend continued during the latter half of the decade. By 1980, the average expenditure per staff position had climbed to \$75,400. During the ensuing seven years, total administrative expenditures continued to increase at an annual rate of 13.0 percent; consequently, by FY 1987, the average expenditure per staff position had reached \$146,500, or more than 13 times that of some 32 years earlier.

When allowances for price rises during the period under review are made, there

Financial Year	Average Annual Percent Increase			
	Budget Expenditure		Staff Ceiling	Real Expenses per Staff Position
	Nominal	Real		
1953-1955	2.1	1.8	-2.5	4.4
1956-1960	6.1	4.7	0.7	3.9
1961-1965	14.2	12.6	8.8	3.5
1966-1970	17.1	12.7	9.9	2.6
1971-1975	14.4	7.3	5.6	1.7
1976-1980	14.0	5.9	0.9	4.9
1981-1985	16.3	8.7	3.1	5.4
1986-1987	4.7	2.2	1.0	1.3

¹Deflated using the Washington Consumer Price Index.



was still an increase of more than 150 percent in real expenditures per staff position. This increase, which can be considered as an approximate indicator of productivity developments would likely be even higher if a more relevant deflator was available. In terms of prices of FY 1952, the average expenditure per staff position in FY 1955 was \$12,000; this increased to \$17,200 in FY 1965, \$21,100 in FY 1975, and \$27,500 in

FY 1986 before the impact of the zero-growth nominal budget in FY 1987 reduced the figure to \$26,800. The chart provides an overview of these increases in real administrative expenses during the period FY 1952 to FY 1987, as well as the growth in staff positions.

the membership to limit the growth in the Fund's expenditures, management has decided that it is appropriate to present a budget for FY 1988 which (i) maintains total real administrative and capital expenses, adjusted for reimbursements from SDR and SAF activities, practically unchanged from last year's level; (ii) allows for a minimal (1 percent) increase in nominal recurring expenditures; and (iii) permits an increase in the regular staff ceiling by 1.2 percent or 20.5 positions (in terms of Fund manpower, an increase of 1.6 percent or about 34 man-years is projected). On this basis, it is estimated that an amount of \$246.6 million for recurring expenses including a GSA of 5 percent is justified. When the expenses for nonrecurring and capital expenses of \$6.2 million and \$8.4 million, respectively, are added to recurring expenses, total administrative and capital expenses will rise to \$261.2 million, some 5.5 percent over the FY 1987 estimated

expenses. Table 2 provides the methodology followed to obtain the target figure for FY 1988.

18. It should be noted that the target figure of \$261.2 million for total expenditures in FY 1988 includes an allowance for a GSA of \$7.5 million (5 percent). Because of the delay with which salary data normally become available, it has been the practice in past years for the Executive Board's decision on the annual GSA to be taken only after the financial year commences on May 1. As a result, the budget initially approved in April did not include provision for any GSA during the following year. As several Executive Directors commented, this procedure made it difficult for the Executive Board to compare the proposed budget with actual expenses of the previous year. Last year, the budget formulation included an estimate of the GSA for the coming year to provide a consistent basis for comparing between successive years

TABLE 2. CALCULATION OF FY 1988 ADMINISTRATIVE AND CAPITAL BUDGETS
(In millions of U.S. dollars)

	FY 1987	FY1988	FY 1988 Compared with FY 1987	
			Increase + Decrease -	Percent Change
Estimated Expenditures for FY 1987	247.6			
Less: Nonrecurring expenditures	- 2.3			
Capital expenditures	- 1.3			
Recurring Expenditures	244.0	246.6	+ 2.6	1.1
Plus: Nonrecurring expenditures	2.3	6.2		
Capital expenditures	1.3	8.4		
Total	247.6	261.2	+13.6	5.5
Less: Provision for GSA in FY 1988 ¹		-7.5		
Budget Appropriations proposed for FY 1988		253.7		

¹ Assumes a general salary increase of 5 percent.

and this approach has been adopted again this year. Unlike last year, however, it has been possible to obtain the preliminary result of the salary survey, which suggests that a GSA increase of 5 percent (\$7.5 million) is required, after allowing for a merit increase of 2.4 percent.

19. Management is aware that a total budget allocation of \$253.7 million, excluding a GSA of \$7.5 million, allows for little or no increase in real terms, but believes that the proposed funds should be sufficient to accommodate the FY 1988 work program. It must be emphasized, however, that the already heavy demands placed on the staff will continue and that any additional projects or unforeseen contingencies not included in the budget formulation will require additional appropriations. Accordingly, before reaching a decision to authorize funds for any

projects that are not now included in the FY 1988 Administrative or Capital Budgets, the Executive Board will need to be aware of the estimated costs of new projects and be prepared to appropriate the necessary additional funds.

Staffing and Organization in FY 1988

20. The proposed expenditure of \$253.7 million (excluding the GSA) for the Administrative and Capital Budgets in FY 1988, provides for only a relatively small manpower increase of 33.8 man-years¹ (1.6 percent). The proposed increases in manpower and regular positions in FY 1988, compared with those over the past five years, are shown in Table 3.

**TABLE 3: CHANGES IN REGULAR POSITIONS
AND TOTAL MANPOWER, FY 1983-88**
(Man-Years)

Financial Year	Change over Previous Year ¹		Percent Change	
	Regular Positions	Total Manpower	Regular Positions	Total Manpower
1983	33	67	2.2	3.9
1984	51	91	3.3	5.1
1985	48.5	60	3.0	3.2
1986	29.5	85	1.8	4.4
1987	3	50	0.2	2.5
1988	20.5	34	1.2	1.6

¹ As of the end of each financial year.

21. The proposed increase of 33.8 additional man-years for FY 1988 reflects the following changes: (i) the addition of a net 20.5 regular staff positions which will raise the staff ceiling by 1.2 percent to 1,711.5; (ii) a reduction in existing staff vacancies giving an additional 10.7 man-years; (iii) an increase of 2.6 man-years in the Economist

Program, more than offset by a decline of 3.0 man-years in the Summer Intern Program; (iv) a slight decline of 1.1 man-years for temporary assistance (a fall of 1.6 man-

¹ A total of 119 additional man-years was requested in the original departmental submissions, including 74 regular staff positions.

years for the A9 and above temporary assistance and a rise of 0.5 man-years for A1-A8 temporary assistance); (v) a decline of 2.6 man-years in paid overtime as a result of an increase in regular positions; (vi) an increase of

2.7 man-years for the service of consultants reflecting mostly the needs of the Research Department; and (vii) an increase of 4.0 man-years in technical expert assistance to 115 man-years. These changes are shown in Table 4.

**TABLE 4: PROPOSED FY 1988 MANPOWER COMPARED
WITH FY 1987 ESTIMATED MANPOWER¹**
(Man-Years)

	FY 1987 Rev. Est.	Change	Proposed FY 1988
Staff:			
Regular Positions	1,691.0	+ 20.5	1,711.5
Vacancies ²	-81.6	+ 10.7	-70.9
Economist and Summer Intern Programs	50.0	- 0.4	49.6
Temporaries — A9 and Above	127.0	- 1.6	125.4
Temporaries — A1-A8 ³	124.4	+ 0.5	124.9
Overtime	29.1	- 2.6	26.5
Subtotal	1,939.9	+ 27.1	1,967.0
Consultants	11.7	+ 2.7	14.4
Experts	111.0	+ 4.0	115.0
Total	2,062.6	+ 33.8	2,096.4

¹Excludes Executive Directors and their staffs.

²Departments are allowed to recruit temporary/contractual employees against regular position vacancies. In FY 1987, approximately 55 percent of the 81.6 man-years of vacancies were filled using temporary employees.

³Excludes temporary secretarial assistance charged to the Office of Executive Directors (8 man-years in FY 1987 and FY 1988).

22. Summary tables comparing the departmental breakdowns of the proposed increases in staff ceilings and manpower are shown on pages 45 and 46. It should be noted that the FY 1987 Administrative Budget made provision for 31 positions for Resident Representatives and Advisors. It is proposed to reduce the authorized number of positions to 30 in FY 1988 to reflect the closing of the post in Korea. A summary of resident representative assignments anticipated in FY 1988, compared with current assignments in FY 1987 is shown on page 93.

23. The addition of the 33.8 man-years will be distributed across most departments, bureaus, and offices. The proposed budget for FY 1988 has allowed only a small increase in manpower for the second consecutive year, which, in the context of continued increases in the demands placed on the staff, has required the careful allocation of the limited additional resources. Based on the projected work load in FY 1988, priority has been given to the operational work of the Fund, particularly the SAF activities, the enlarged program of general policy development and research, the need to maintain technical assistance activities, the handling of a rapidly rising volume of financial operations and transactions, and the continuing problem of overdue financial obligations of the membership. Accordingly, area and functional and special service departments have been allocated 90 percent of the total increase of 33.8 man-years (area departments will receive 12.8 man-years and the functional and special service departments an additional 17.5 man-years.)

24. Organizational changes proposed in FY 1988 include the creation of a new division, and the transfer of

the Office of the Special Representative to the United Nations to the External Relations Department (EXR). In the European Department, a new division called the *Eastern European Division II* will be created; no additional positions will be required. The new division will absorb a number of countries previously handled by the existing Eastern European and Central European Divisions and will also handle the work associated with Poland. As part of the policy to centralize the Fund's relations with nongovernment entities within a single department, the duties of the Special Representative to the United Nations will be transferred to the Immediate Office of EXR. Finally, the functions of the Investment Unit will be incorporated in the office, *Investment Office—Staff Retirement Plan*, which will report directly to management and will be responsible for the management of the assets of the Staff Retirement Plan.

Proposed Administrative Budget for FY 1988

25. As stated in paragraph 20, the proposed Administrative and Capital Budgets for FY 1988, excluding the GSA, amount to \$253.7 million. Table 5 compares the proposed Administrative Budget for FY 1988 of \$245.3 million with the revised budgets and actual expenses over the past six years.

26. A breakdown of the proposed Administrative Budget for FY 1988, by object of expense is shown in Table 6, with a more detailed presentation on page 98. Similar tables analyzing the administrative budget by

**TABLE 5. REVISED BUDGET ESTIMATES COMPARED WITH
ACTUAL BUDGET EXPENSES, FY 1983–FY 1988**

(in millions of dollars)

Financial Year	Revised Budget ¹	Actual Expenses	Increase in Actual Expense	
			\$ Million	Percent
1983	180.1	182.7	17.3	10.8
1984	198.2	202.2	19.5	10.7
1985	228.4	226.4	24.2	12.0
1986	253.2	245.8	19.4	8.6
1987	247.6	247.6 (est.)	1.8	0.7
1988	245.3 ²			

¹ Expenses 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.

² Original budget.

program and by unit of organization are found on pages 21 and 44, respectively. The percentage distribution of estimated expenses by object of expense and by program of activity is shown in the chart on page 10.

27. The principal factors (i.e., those with a value of \$300,000 or more) accounting for the changes in administrative expenses in FY 1988 are listed on the next page.

TABLE 6. ADMINISTRATIVE EXPENSES, FY 1986–FY 1988

(In thousands of U.S. dollars)

Object of Expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 ¹ Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease –	Percent Change
I. PERSONNEL EXPENSES					
A—Salaries	98,063	102,700	105,630	+ 2,930	2.9
B—Other Personnel Expenses	63,821	66,785	60,830	– 5,955	– 8.9
Subtotal	161,884	169,485	166,460	– 3,025	– 1.8
II. TRAVEL EXPENSES					
C—Business Travel	15,940	14,020	14,450	+ 430	3.1
D—Other Travel	11,671	12,020	12,560	+ 540	4.5
Subtotal	27,611	26,040	27,010	+ 970	3.7
III. OTHER ADMINISTRATIVE EXPENSES					
E—Communications	5,995	5,860	6,100	+ 240	4.1
F—Building Occupancy	14,550	13,725	13,240	– 485	– 3.5
G—Books and Printing	2,369	2,290	2,110	– 180	– 7.9
H—Supplies and Equipment	6,685	3,955	4,780	+ 825	20.9
I—Data Processing	20,754	18,630	17,700	– 930	– 5.0
J—Miscellaneous	5,957	7,575	7,940	+ 365	4.8
Subtotal	56,310	52,035	51,870	– 165	– 0.3
TOTAL	245,805	247,560	245,340	– 2,220	– 0.9

¹ Excludes any amount for a general salary adjustment.

	\$ Thousand
(i) Increased benefits and other personnel expenses resulting from the implementation of the Early Retirement Assistance Scheme	+ 4,440 ¹
(ii) Merit increases and promotions for staff and assistants to Executive Directors after allowance for staff turnover	+ 2,060 ¹
(iii) Increased business and settlement travel costs	+ 1,180
(iv) Net expenses of an increase of 20.5 regular positions	+ 930 ¹
(v) Higher investment and custody fees	+ 400
(vi) Higher medical benefit and life insurance payments	+ 430
(vii) Increase in experts from 111 man-years to 115 man-years	+ 380 ¹
(viii) Expanded termination benefit fund payments	+ 330
(ix) Lower net costs associated with the Staff Retirement Plan	- 11,670
(x) Lower net additional accruals for unused annual leave and separation grants	- 570
(xi) Lower costs of settlement and travel expenses in a nonelection year for Executive Directors	- 350
(xii) Other	+ 220
	<u>- 2,220</u>

¹Includes salaries and other personnel expenses.

Proposed Capital Budget for FY 1988

28. As noted in paragraph 4, beginning in FY 1988, a multi-year capital expenditures budget has been prepared for capital projects.¹ In the past, capital expenditure proposals have been either included within various categories of the annual administrative budget or else proposed separately to the Executive Board and funded outside the administrative budget (e.g., Phase IIA of the headquarters building). This presentation did not provide a comprehensive overview of either the total multi-year investment in capital projects or the underlying year-to-year trends of the non-capital administrative expenses. The adoption of a capital budget in FY 1988 and subsequent years will clearly identify the total proposed investment in capital projects by providing the overall multi-year cost for these expenditures.

29. Only those expenditures or investments for capital

assets of \$100,000 or more are included in the capital budget. Based on this definition, nine capital projects involving a total expenditure of \$8.8 million (\$8.4 million in FY 1988, \$0.3 million in FY 1989, and \$0.1 million in FY 1990) have been proposed in the FY 1988 capital budget. These include a new computer center at headquarters (\$3.6 million), which was approved by the Executive Board at EBM/87/30 (2/20/87); preparation of additional rental space at International Square (\$2.4 million) approved by the Executive Board on March 30, 1987 (EBAP/87/61, 3/20/87); other alterations and improvements to the headquarters building (\$1.7 million); and the purchase of computing equipment and systems (\$1.1 million). Table 7 shows the proposed investment in capital expenditures for FY 1988 through FY 1990. A more detailed breakdown is contained in the capital budget section on page 111.

TABLE 7. CAPITAL EXPENSES, FY 1988–FY 1990
(In millions of U.S. dollars)

	Proposed		
	FY 1988	FY 1989	FY 1990
I. Building Space Facilities	7.3	0.3	0.1
A—Headquarters	(4.2)	(0.3)	(0.1)
B—Other locations	(3.1)	(—)	(—)
II. Equipment for EDP Systems	1.1	—	—
Total Capital Projects	8.4	0.3	0.1

PROJECTION OF ADMINISTRATIVE AND CAPITAL EXPENSES FOR THE THREE-YEAR PERIOD, FY 1988–FY 1990

30. Table 8 places the proposed Administrative and Capital Budgets for FY 1988 in the context of current

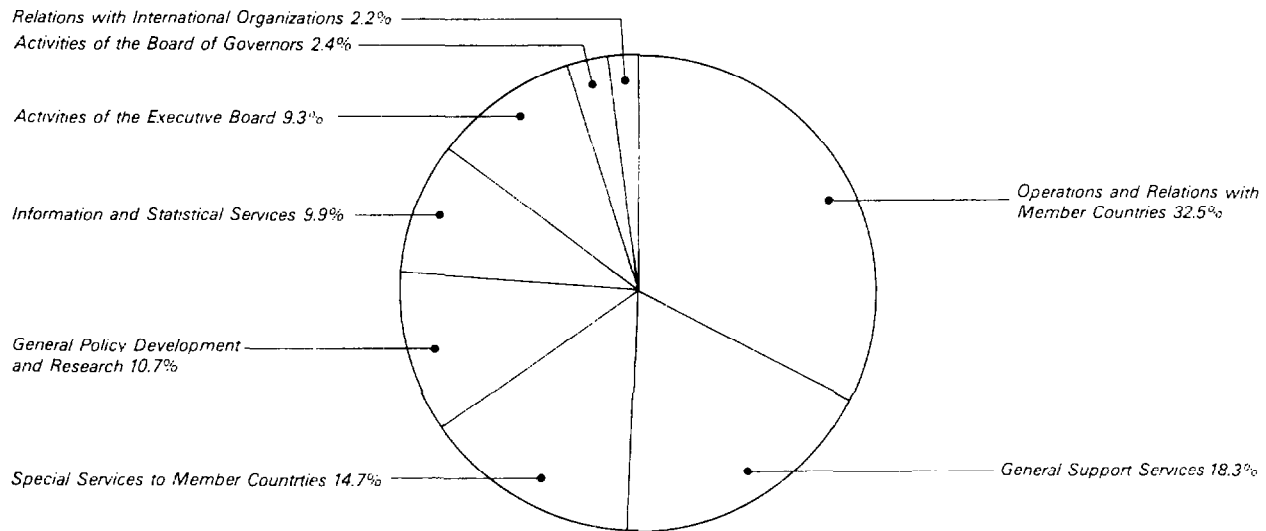
projections of administrative and capital expenses for the next three years.

¹Background information is contained in EBAP/86/84 (4/9/86)—*Budgeting for Capital Assets*, and SM/85/246 (8/27/85)—*Accounting for Capital Assets*. It should be noted that if depreciation accounting is

reconsidered in future years, not all capital expenses would necessarily qualify for amortization.

PERCENTAGE DISTRIBUTION OF ADMINISTRATIVE BUDGET FOR FY 1988
(\$245.3 million)

BY PROGRAM



BY OBJECT OF EXPENSE

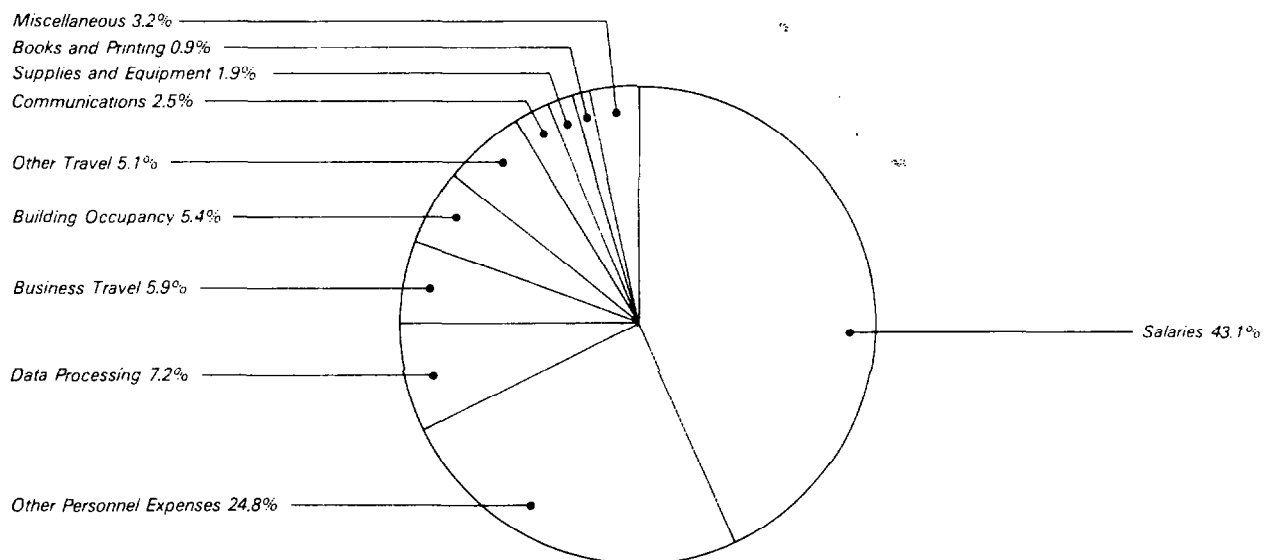


TABLE 8. PROJECTIONS OF ADMINISTRATIVE AND CAPITAL EXPENSES
FY 1988–FY 1990

(In millions of dollars)

	FY 1988 ¹	FY 1989	FY 1990	Percent Change Over Previous Year		
	FY 1988 ¹	FY 1989	FY 1990			
ADMINISTRATIVE EXPENSES						
PERSONNEL EXPENSES						
Salaries	110.0	114.9	119.7	7.1	4.5	4.2
Other Personnel Expenses	<u>63.9</u>	<u>63.4</u>	<u>67.3</u>	<u>-4.3</u>	<u>-0.8</u>	<u>6.2</u>
Subtotal	173.9	178.3	187.0	2.6	2.5	4.9
TRAVEL EXPENSES						
Business Travel	14.4	17.1	15.3	3.1	18.8	-10.5
Other Travel	<u>12.6</u>	<u>13.6</u>	<u>13.5</u>	<u>4.5</u>	<u>7.9</u>	<u>-0.7</u>
Subtotal	27.0	30.7	28.8	3.7	13.7	-6.2
OTHER ADMINISTRATIVE EXPENSES						
Communications	6.1	6.2	6.3	4.1	1.6	1.6
Building Occupancy	13.3	15.3	15.8	-3.5	15.0	3.3
Books and Printing	2.1	2.2	2.3	-7.9	4.8	4.5
Supplies and Equipment	4.8	4.9	5.0	20.9	2.1	2.0
Data Processing	17.7	17.2	17.0	-5.0	-2.8	-1.2
Miscellaneous	<u>7.9</u>	<u>8.3</u>	<u>9.2</u>	<u>4.8</u>	<u>5.1</u>	<u>10.8</u>
Subtotal	51.9	54.1	55.6	-0.3	4.2	2.8
Total	252.8	263.1	271.4	2.1	4.1	3.2
CAPITAL EXPENSES						
Building Space Facilities	7.3	0.3	0.1			
Equipment for EDP Systems	<u>1.1</u>	<u>—</u>	<u>—</u>			
Total	8.4	0.3	0.1			
TOTAL ADMINISTRATIVE AND CAPITAL EXPENSES						
	<u>261.2</u>	<u>263.4</u>	<u>271.5</u>	<u>5.5</u>	<u>0.8</u>	<u>3.1</u>

¹ Differs from the proposed budget because \$7.5 million is included for a possible general salary adjustment which might be approved by the Executive Board in accordance with established procedures after the approval of the Administrative Budget.

31. The main assumptions underlying the projections for FY 1989 and FY 1990 are as follows:

(i) It is assumed that the demands for additional manpower will continue in FY 1989 and FY 1990. The increased demands for policy papers, e.g., in the area of the functioning and improvement of the international monetary system, including the role of the SDR, the review of issues underlying the design of Fund-supported adjustment programs, and a strengthening of surveillance activities with special attention to indicators will have an impact on future staffing needs. Similarly, the work load relating to operations with member countries, particularly that under the SAF, is also likely to increase, while assistance to help countries in arrears develop policies and implement adjustment measures is not expected to moderate. At the same time, it is not anticipated that any major

unforeseen external demands will occur to increase the Fund's work load, while the productivity gains expected from the large investments in data processing services to upgrade or replace existing EDP systems are expected to reduce, somewhat, the need for extra staff in the longer term. It should also be noted that the proposed budget allocation for FY 1988, while sufficient to accommodate the work program projected for the coming year, does not provide for any surplus capacity to undertake additional non-budgeted projects. Any new projects will, therefore, have to be funded through the redeployment of resources from existing activities or through additional Executive Board appropriations. For the purpose of this exercise, and bearing in mind these factors, it is tentatively assumed that the increase in the number of man-years (regular staff, experts and consultants and temporary assistance)

**DRAFT DECISION RELATING TO THE ADMINISTRATIVE BUDGET ESTIMATES
FOR FINANCIAL YEAR 1988**

1. Appropriations for administrative expenses for Financial Year 1988 are approved in the total amount of \$245,340,000. This amount will apply to the various categories of expense as follows:

I. PERSONNEL EXPENSES	
A — Salaries.....	\$105,630,000
B — Other Personnel Expenses.....	60,830,000
II. TRAVEL EXPENSES	
C — Business Travel.....	14,450,000
D — Other Travel.....	12,560,000
III. OTHER ADMINISTRATIVE EXPENSES	
E — Communications.....	6,100,000
F — Building Occupancy.....	13,240,000
G — Books and Printing.....	2,110,000
H — Supplies and Equipment.....	4,780,000
I — Data Processing.....	17,700,000
J — Miscellaneous.....	7,940,000
	<u>\$245,340,000</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 1,711.5 and its distribution by departments, bureaus and offices as set forth in the budget on page 45 are approved and shall not be exceeded without prior approval by the Executive Board.

**DRAFT DECISION RELATING TO CAPITAL BUDGET PROJECTS
BEGINNING IN FINANCIAL YEAR 1988**

1. Appropriations for capital projects beginning in Financial Year 1988 are approved in the total amount of \$8,775,000. This amount will apply to the various categories as follows:

	<u>Total</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
I. BUILDING SPACE FACILITIES				
A—Headquarters.....	\$4,583,000	\$4,160,000	\$323,000	\$100,000
B—Other Buildings	3,140,000	3,140,000	—	—
II. EQUIPMENT FOR EDP SYSTEMS				
C—Computing.....	1,052,000	1,052,000	—	—
	<u>\$8,775,000</u>	<u>\$8,352,000</u>	<u>\$323,000</u>	<u>\$100,000</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 1987**

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, 1986 to April 30, 1987, 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, 1987 with an amount equal to 0.0191291 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 UNDER THE REGULATIONS
FOR THE ADMINISTRATION OF THE STRUCTURAL ADJUSTMENT FACILITY
WITHIN THE SPECIAL DISBURSEMENT ACCOUNT
IN RESPECT OF FINANCIAL YEAR 1987**

As provided in Paragraph 10 of the Regulations for the Administration of the Structural Adjustment Facility within the Special Disbursement Account (Decision No. 8238-(86/56) SAF, adopted March 26, 1986, the General Resources Account of the Fund shall be reimbursed annually by the Special Disbursement Account in respect of the expenses of administering the Facility that are paid from the General Resources Account. 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 Annex II, Paragraph 10, of the Regulations for the Administration of the Structural Adjustment Facility within the Special Disbursement Account (Decision No. 8238-(86/56) SAF, adopted March 26, 1986), it is decided that the General Resources Account shall be reimbursed the equivalent of SDR 5,600,000 for the expenses of administering the Facility for the period March 26, 1986 to April 30, 1987, and the reimbursement shall take place on April 30, 1987.

Administrative Budget for FY 1988

BUDGET BY PROGRAM

FY 1988 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 therefore the indicators may not be fully representative of work loads, productivity, or quality of work. Some program statements are supported by supplementary tables, which break the total cost down by sub-programs.

(A) COST OF PROGRAMS

(In thousands of U.S. dollars)

Program	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
1. Activities of the Board of Governors	8,221	6,044	5,996	- 48	- 0.8
2. Activities of the Executive Board	23,212	24,184	22,788	- 1,396	- 5.8
3. General Policy Development and Research	23,811	25,885	26,144	+ 259	1.0
4. Operations and Relations with Member Countries	79,080	79,670	79,789	+ 119	0.1
5. Special Services to Member Countries	39,853	35,813	36,182	+ 369	1.0
6. Information and Statistical Services	27,337	25,396	24,303	- 1,093	- 4.3
7. Relations with International Organizations	4,386	5,525	5,318	- 207	- 3.7
8. General Support Services	39,905	45,043	44,820	- 223	- 0.5
TOTAL	245,805	247,560	245,340	- 2,220	- 0.9

(B) MANPOWER UTILIZATION BY PROGRAM

(in paid man-years)

Program	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
1. Activities of the Board of Governors	45	41	39	- 2	- 4.9
2. Activities of the Executive Board	236	241	245	+ 4	1.7
3. General Policy Development and Research	227	243	254	+ 11	4.5
4. Operations and Relations with Member Countries	660	664	678	+ 14	2.1
5. Special Services to Member Countries	322	310	317	+ 7	2.3
6. Information and Statistical Services	216	219	218	- 1	- 0.5
7. Relations with International Organizations	41	45	45	—	—
8. General Support Services	451	488	491	+ 3	0.6
TOTAL	2,198	2,251	2,287	+ 36	1.6

¹Total manpower is made up as follows in FY 1988 (FY 1987): Executive Directors, their Alternates, Advisors, and assistants: 191 (189) man-years; staff, including the Economist Program, temporary assistance, and paid overtime: 1,967 (1,939) man-years; technical assistance experts and consultants: 129 (123) man-years. Increased manpower in FY 1988 is attributable primarily to new staff positions (20.5), more experts and consultants (7), and an anticipated reduction in vacancies (11) and overtime (- 3).

FY 1988 BUDGET BY PROGRAM

1. ACTIVITIES OF THE BOARD OF GOVERNORS

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	1,903	1,821	1,798	- 23	- 1.3
Other personnel expenses	921	861	754	- 107	-12.4
Business travel	3,820	1,591	1,723	+ 132	8.3
Other travel	109	100	103	+ 3	3.0
Data processing	360	307	122	- 185	-60.3
Other administrative expenses	1,108	1,364	1,496	+ 132	9.7
Total	8,221	6,044	5,996	- 48	- 0.8
B. Number of Paid Man-Years	45	41	39	- 2	- 4.9

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 Executive Secretary of the Development Committee. 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.

Beginning with the 1987 Annual Meetings, the period of annual meetings will be shortened from four days to three. As a result, per diem payments, office space costs and related expenses are estimated to decline by about \$40,000 in FY 1988.

The proposed budget for the Interim and Development Committees is based on the assumption that there will be 2 meetings in FY 1988, both held in Washington. The budget estimates for the Development Committee Executive Secretary provide, as in FY 1987, for the costs of the Executive Secretary and 1 secretarial assistant.

FY 1988 BUDGET BY PROGRAM

1. ACTIVITIES OF THE BOARD OF GOVERNORS

Supplementary Tables on Sub-Programs

1.1. ANNUAL MEETING¹

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Direct costs	360	365	395	+ 30	8.2
Allocated costs of support staff	2,277	2,121	1,964	- 157	- 7.4
II. TRAVEL EXPENSES					
Governors	1,500	1,450	1,565	+ 115	7.9
Executive Directors and assistants	627	—	—	—	—
Staff	1,759	198	213	+ 15	7.6
III. OTHER ADMINISTRATIVE EXPENSES					
Data processing	360	307	122	- 185	-60.3
Other direct costs	472	814	905	+ 91	11.2
Allocated office expenses of support staff	457	374	384	+ 10	2.7
TOTAL	7,812	5,629	5,548	- 81	- 1.4
B. Number of Paid Man-Years	43	39	37	- 2	- 5.1

1.2. INTERIM AND DEVELOPMENT COMMITTEES AND OTHER GROUPS¹

A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES	187	196	193	- 3	- 1.5
II. TRAVEL EXPENSES					
Governors	40	37	40	+ 3	8.1
Executive Directors and assistants	—	—	—	—	—
Staff	3	6	8	+ 2	33.3
III. OTHER ADMINISTRATIVE EXPENSES	179	176	207	+ 31	17.6
TOTAL	409	415	448	+ 33	8.0
B. Number of Paid Man-Years	2	2	2	—	—

¹ Costs of the Annual Meeting, 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 1988 BUDGET BY PROGRAM

2. ACTIVITIES OF THE EXECUTIVE BOARD

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	10,505	11,140	11,377	+ 237	2.1
Other personnel expenses	6,031	6,057	4,790	- 1,267	- 20.9
Business travel	1,405	1,450	1,500	+ 50	3.4
Other travel	1,272	1,714	1,339	- 375	- 21.9
Data processing	454	293	158	- 135	- 46.1
Other administrative expenses	3,545	3,530	3,624	+ 94	2.7
Total	23,212	24,184	22,788	- 1,396	- 5.8
B. Number of Paid Man-Years²	236	241	245	+ 4	1.7
C. Selected Indicators of Activity					
Documents received	3,907	4,353			
Executive Board sessions	206	235			
Hours at sessions	519	592			
Decisions taken	607	677			

¹Indicators of activity are for calendar years 1985 and 1986.

²Includes time of Executive Directors, their Alternates, Advisors, and assistants (186 man-years in FY 1986, 189 man-years in FY 1987, and 191 man-years in FY 1988).

This program covers the activities of the Executive Board. An exception is that travel costs relating to the Annual Meeting 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 by staff. Consequently, they 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 Meeting 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 235 sessions in 1986 (206 in 1985), including formal Board meetings, informal sessions, and sessions as a Committee of the Whole. In aggregate, these sessions amounted to 592 (519) hours, distributed as follows: policy matters 214 (144) hours, country items 327 (323) hours, administrative matters 41 (31) hours, and Annual Report 10² (21) hours. In addition, there were 18 (14) meetings of the Board's standing committees, ad hoc committees, and the Pension Committee. Executive Directors attended 12 (13) sessions of the Interim and Development Committees. A substantial number of Executive Directors also participated in 8 (8) sessions of the Group of Twenty-Four (Ministers and Deputies). In 1986, Executive Directors made 344 (364) business trips abroad and 34 (30) trips within the United States.

FY 1988 BUDGET BY PROGRAM

3. GENERAL POLICY DEVELOPMENT AND RESEARCH

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	10,513	11,586	12,367	+ 781	6.7
Other personnel expenses	7,008	7,867	7,255	- 612	- 7.8
Business travel	315	270	277	+ 7	2.6
Other travel	881	965	1,119	+ 154	16.0
Data processing	2,153	2,035	1,607	- 428	-21.0
Other administrative expenses	2,941	3,162	3,519	+ 357	11.3
Total	23,811	25,885	26,144	+ 259	1.0
B. Number of Paid Man-Years	227	243	254	+ 11	4.5
C. Selected Indicators of Activity					
Policy papers for Board discussion	90	84			
Research papers	59	65			

¹Indicators of activity are for calendar years 1985 and 1986.

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

In CY 1986, the activities related to policy development continued at a high level. Work in the policy area included the production of 84 policy papers (90 in 1985). These papers were augmented by 37 (36) supplements and 3 (2) revisions. Among the policy issues absorbing considerable staff time in 1986 were the Fund's liquidity and financing needs, including a review of the mix of ordinary and borrowed resources; the annual review of conditionality including an examination of performance criteria used in Fund programs; theoretical aspects of the design of Fund adjustment programs; policies regarding members' overdue obligations to the Fund; the annual review of surveillance and the biennial review of the 1977 Surveillance document; implementation of the Structural Adjustment Facility (SAF); and the functioning of the international monetary system, including the role of the SDR in the provision of international liquidity. In FY 1988, the high level of activity with regard to policy development is likely to continue. Considerable attention will be focused on (i) follow-up activities arising out of the April 1987 meetings of the Interim and Development Committees, particularly concerning the functioning and improvement of

the international monetary system and surveillance; (ii) implementation of the debt strategy, including commercial bank and multilateral official debt rescheduling; (iii) the ninth general review of quotas; (iv) issues related to members' overdue obligations to the Fund; (v) the annual review of conditionality, including issues related to the monitoring of supply-side policies; (vi) a major re-examination of the conceptual, analytical, and empirical issues underlying the design of programs of economic adjustment; (vii) the use of Fund resources, including a review of the enlarged access policy and access limits for 1988, and the Structural Adjustment Facility; (viii) a comprehensive review of the Compensatory Financing Facility (CFF); and (ix) continued adaptation of the Fund's structure on financial operations, and of the Fund's rules and policies on the discharge of financial obligations. Other continuing policy issues will include the Fund's liquidity position and financing needs, and the role of the SDR in the international monetary system.

In CY 1986, the work related to the World Economic Outlook included 14 (15) papers in preparation for 8 (9) sessions of the Executive Board and the Interim Committee. During the year, a total of 49 (52) man-years of staff time, including 19 (24) man-years in the Research Department and 22 (20) 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 \$6.0 million (\$5.9 million in 1985). In FY 1988, the program of work on the World Economic Outlook will be at least as heavy and include research aimed at improving the understanding of relationships

3. GENERAL POLICY DEVELOPMENT AND RESEARCH

among various indicators in surveillance and the analyses of conditions of, and requirements for, effective coordination of economic policies of member countries. Other periodic reports include those on commodities, gold, exchange markets, exchange rate changes and related variables, and the financial position of the Fund.

In CY 1986, the work related to research activities included the production of 65 (59) research papers. Some of the more significant subjects studied related to international capital markets, balance of payments adjustments, monetary policy and inflation, Islamic banking, external adjustment in centrally planned economies, measurement of the fiscal deficit, and a study of social expenditure trends and policies. 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 outside the results of research studies produced in the Fund. During CY 1986, staff made 54 (46) trips abroad and 62 (47) trips within the United States in connection with attendance at professional conferences and seminars.

FY 1988 BUDGET BY PROGRAM

4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	31,475	32,346	33,425	+ 1,079	3.3
Other personnel expenses	22,080	22,817	20,896	- 1,921	- 8.4
Business travel	7,910	8,180	8,365	+ 185	2.3
Other travel	2,879	2,879	3,131	+ 252	8.8
Data processing	6,417	5,948	5,832	- 116	- 2.0
Other administrative expenses	8,319	7,500	8,140	+ 640	8.5
Total	79,080	79,670	79,789	+ 119	0.1
B. Number of Paid Man-Years	660	664	678	+ 14	2.1
C. Selected Indicators of Activity					
Consultation missions	135	142			
Use of resources missions combined with consultation missions above	146	148			
Additional use of resources missions	117	105			
New stand-by and SAF arrangements					
Stand-by arrangements	25	23			
SAF arrangements	—	9			
Countries using Fund resources	36	43			
Papers on country operations²	323	299			

¹Indicators of activity are for calendar years 1985 and 1986.

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

This program covers Article IV consultation missions and other country missions; the conduct of the Fund's financial relations with members as well as of the SDR Department; and the general process of analyzing and keeping abreast of developments in member countries.

There were 142 Article IV consultation missions with member countries in 1986 (135 in 1985). Based on a sample survey of staff resources devoted to consultations in 1986, the present average cost of a consultation is estimated at about \$178,000 (an analysis of the survey appears on page 28). 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 80–85 percent of members each year. In FY 1988, it is envisaged that Article IV annual consultations will continue

to be held with members having Fund arrangements, members with possible balance of payments difficulties, and also larger countries. For other members, the adoption of a simplified interim consultation procedure will be examined with the members' authorities and, for those countries for which it would be appropriate, the new procedure will be implemented on an experimental basis. Longer than annual cycles (18 or 24 month) will also continue to be specified in appropriate cases.

In 1986, there were 105 missions (117 in 1985) conducted solely for the discussion of use of Fund resources. Forty-eight (46) Article IV consultation missions (or 34 percent of the total) were also concerned with the use of Fund resources. In addition to these missions, 76 negotiations for the use of Fund resources were held at headquarters (69 in 1985). The prospect for FY 1988 is that the number of countries with a financial arrangement with the Fund may increase slightly. 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.

4. OPERATIONS AND RELATIONS WITH MEMBER COUNTRIES

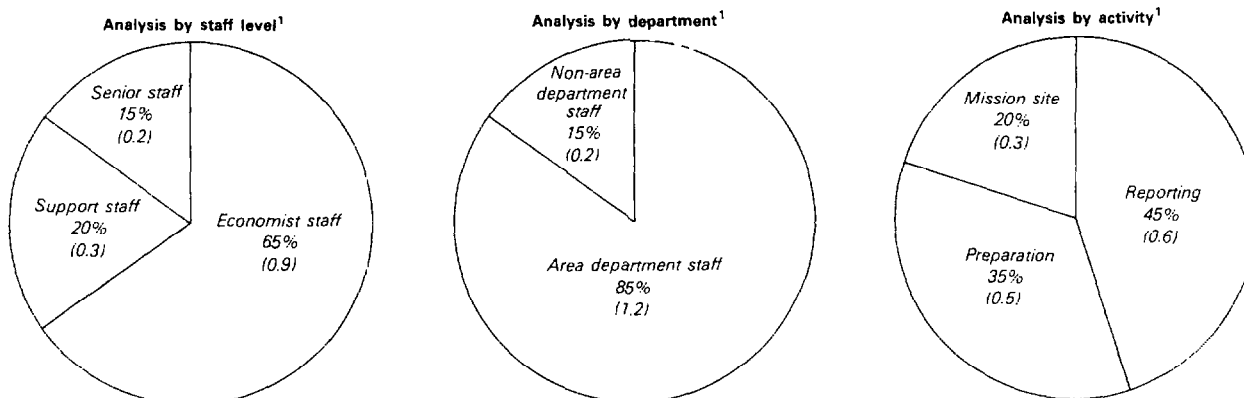
In 1986, new stand-by arrangements became effective for 23 (25) member countries, while 22 (25) arrangements expired or were cancelled during the year. Thus, the number of stand-by arrangements in effect at the end of 1986 increased to 30 (29 at the end of 1985). The number of arrangements under the extended Fund facility decreased to 1 at the end of 1986 from 3 a year earlier. In March 1986, the Structural Adjustment Facility was established within the Special Disbursement Account. The facility 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 of 1986, there were 9 Structural Adjustment Facility arrangements in effect with the Fund. The total amount committed under the 40 arrangements in effect at the end of 1986 was SDR 5.3 billion (SDR 9.9 billion at the end of 1985), with an undrawn balance of SDR 2.9 billion at the end of the year (SDR 4.7 billion at the end of 1985). The level of new commitments (SDR 3.9 billion) in 1986 contrasted with new commitments of SDR 3.3 billion in 1985. The number of countries that used the Fund's resources in 1986, excluding reserve tranche purchases, was 43 compared with 36 in 1985. Use of the

Fund's resources was as follows: 38 (32) member countries made drawings in the credit tranches (most of them under stand-by arrangements), 8 (14) drew under the Compensatory Financing Facility, 1 (4) drew under the Extended Financing Facility, and 9 (0) drew under the Structural Adjustment Facility.

Drawings by member countries totaled SDR 3.9 billion, compared with SDR 4.0 billion in 1985, while repurchases amounted to SDR 5.7 billion, as against SDR 3.6 billion a year earlier. Thus, net repurchases were SDR 1.8 billion in 1986 (net drawings of SDR 0.4 billion in 1985).

The number of Fund resident representative and advisor posts budgeted for FY 1988 is 30, one 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 spend 29 man-years (28 man-years in FY 1987) in the field at a total cost to the Fund, including salaries, allowances, and travel and other expenses, of \$5.6 million (\$5.4 million). It should be noted that part of the activities of resident representatives and advisors is related and charged to the program, "Special Services to Member Countries".

Analysis of Staff Resources Devoted to Consultations in 1986
(based on a sample survey of 15 consultations)



¹The figures in parentheses depict staff time in man-years.

A sample survey of staff resources devoted to consultations with 15 countries in 1986 (8 regular consultations and 7 combined with discussions on use of Fund resources) revealed that on average, a consultation, including preparation and reporting time as well as time in the field, involved 1.4 man-years (1.3 man-years for countries without a program and 1.5 man-years for countries with programs). The charts above give the percentage distribution of these resources by (i) level of staff, (ii) area and non-area department contribution, and (iii) time devoted to each of the three stages, i.e., preparation, field work, and reporting. It is worth noting that program countries absorbed 50 percent more senior staff time

than non-program countries (0.3 vs. 0.2 man-years). Furthermore, non-area department staff involvement was substantially heavier in countries where a program was in effect with, on average, 0.4 man-years devoted to such consultations compared with only 0.1 man-years spent on regular consultations.

The number of consultation missions has risen steadily over the last five years with 142 undertaken in 1986 compared with 107 in 1982, reflecting the implementation of procedural changes aimed at increasing the frequency of consultations, along with a rise in the number of consultations requiring multiple missions, particularly those involving a program. However, there has been

little change in the size of missions over the five-year period. On average, a consultation mission in 1986 consisted of 5.5 staff (4.0 representing area departments and 1.5 non-area departments) compared with 5.8 in 1982.

The average cost of a consultation in 1986 was approximately \$178,000 (\$173,000 for regular consultations compared with \$186,000 for consultations involving use of Fund resources). These estimates include, in addition to travel expenses, the cost of salaries, benefits, and overhead and make provision for the time spent on preparation and report writing as well as for the time spent in the field.

FY 1988 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars):					
Salaries	16,012	15,762	16,305	+ 543	3.4
Other personnel expenses	10,762	10,745	10,386	- 359	- 3.3
Business travel	1,640	1,482	1,515	+ 33	2.2
Other travel	4,298	3,993	4,473	+ 480	12.0
Data processing	188	132	555	+ 423	320.5
Other administrative expenses	6,953	3,699	2,948	- 751	- 20.3
Total	39,853	35,813	36,182	+ 369	1.0
B. Number of Paid Man-Years ¹	322	310	317	+ 7	2.3
C. Selected Indicators of Activity					
Man-years of assistance by outside experts	119	111	115	+ 4	3.6
IMF Institute participants trained ²	424	481	515	+ 34	7.1
Participant-weeks of training ³	4,522	4,764	5,193	+ 429	9.0

¹Includes time of technical assistance experts.

²Indicators of activity are for calendar years 1985, 1986, and 1987.

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 1986, the Fund provided 203 experts (195 in 1985) to 73 (74) countries and 5 (4) regional organizations. Total assistance amounted to 115 (121) man-years, of which central bank experts provided 92 (93) and fiscal experts 23 (28). It is expected that 115 man-years of assistance will be provided in FY 1988: 89 by central bank experts and 26 by fiscal experts.

There were 79 technical assistance missions by staff in calendar year 1986, compared with 66 in 1985, which were carried out by the Fiscal Affairs Department, the Central Banking Department, and the Legal Department, in collaboration with other concerned departments. Staff of the Bureau of Statistics undertook 69 visits (88 in 1985) to member countries and regional organizations to provide technical assistance in the various fields of statistics, including 2 regional seminars (2 in 1985). In addition, 9 (12) officials from countries or regional organizations visited the bureau for training in statistics. In FY 1988, the program of staff technical assistance carried out by the various departments involved will be maintained at the level provided this financial year.

In CY 1986, the IMF Institute, in cooperation with

other departments, gave 13 (12) courses: 3 on Techniques of Economic Analysis (3 in 1985), 3 (2) courses on Financial Analysis and Policy, 2 (2) courses on Financial Programming and Policy, 1 (2) course on Balance of Payments Methodology, 2 (2) courses on Public Finance, 1 (1) course on Government Finance Statistics, and 1 (0) on Money and Banking Statistics. In addition, the Institute presented 2 (2) seminars at headquarters: 1 on Pricing Policy, and 1 on The Role of the Fund in the International Monetary System. A total of 481 (424) participants attended the Institute programs, or an average of 32 (30) per program. The Institute also conducted 5 (4) external seminars in member countries on Analytical Methods and Country Policy Issues. The program planned for FY 1988 encompasses 14 courses, including 2 courses which started in FY 1987, 1 seminar at headquarters, and 4 or 5 seminars overseas.

The special appointees program provides supplementary training in Fund departments for up to 5 former IMF Institute participants upon the request of their governments. There were 4 special appointees in FY 1987. In FY 1988 provision will be made for 5, including 3 continuing from FY 1987.

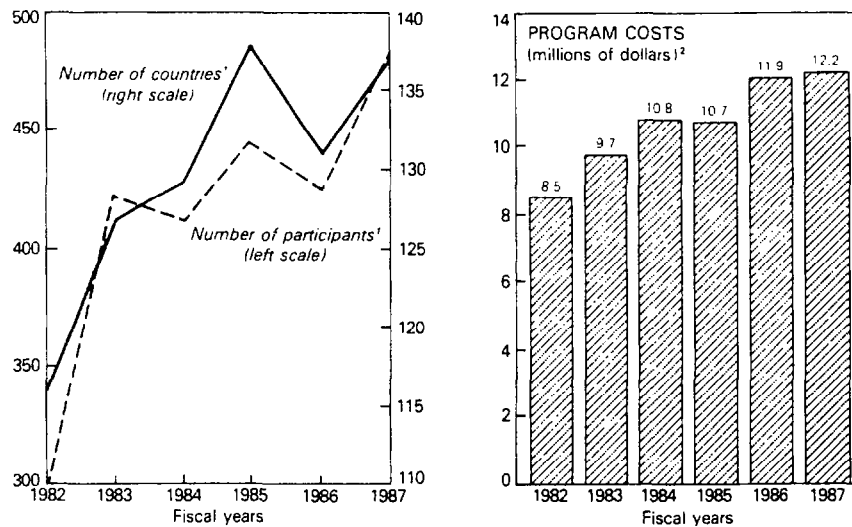
The change between FY 1987 and FY 1988 in the cost of special services to member countries will result mainly from: (i) a 5 percent increase in the cost of outside experts, consisting of a 4 percent increase in the number of experts and a 1 percent rise in unit cost of experts; (ii) an increase in the number of participants attending IMF

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Institute courses; and (iii) the renovation of the Concordia/Bond apartment complex which was largely completed in FY 1987. The cost to the Fund of an expert man-year is expected to rise from \$94,100 in FY 1987 to \$95,200 in FY 1988. In the IMF Institute, the cost per participant-day

is expected to decline from \$365 to \$360 between FY 1987 and FY 1988. These figures do not take account of the above-mentioned capital cost of renovating and remodeling the Concordia/Bond apartments.

IMF Institute Training Program
Participation Levels and Program Costs
FY 1982-FY 1987



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

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

The number of participants attending the IMF Institute and the number of countries sponsoring them have risen substantially 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 Policy, 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. The main thrust of cost saving in FY 1987 has been in the area of transportation where the class of travel and the type of ticket provided have been reduced.

FY 1988 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Supplementary Tables on Sub-Programs

5.1 TECHNICAL ASSISTANCE EXPERTS

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Salaries of staff	1,352	1,121	1,194	+ 73	6.5
Salaries of experts	6,874	6,500	6,800	+ 300	4.6
Other personnel expenses of staff	893	767	704	- 63	- 8.2
Other personnel expenses of experts	2,676	2,394	2,508	+ 114	4.8
Subtotal	11,795	10,782	11,206	+ 424	3.9
II. TRAVEL					
Travel of staff	175	152	161	+ 9	5.9
Travel of experts	1,496	1,535	1,625	+ 90	5.9
Subtotal	1,671	1,687	1,786	+ 99	5.9
III. OTHER ADMINISTRATIVE EXPENSES					
Data processing	62	33	105	+ 72	218.2
Other support costs	477	288	312	+ 24	8.3
Subtotal	539	321	417	+ 96	29.9
NET TOTAL COSTS TO FUND	14,005	12,790	13,409	+ 619	4.8
Additional costs contributed by host countries ¹	1,600	1,480	1,500	+ 20	1.4
B. Number of Paid Man-Years	148	135	140	+ 5	3.7

5.2. STAFF TECHNICAL ASSISTANCE²

A. Costs (in thousands of U.S. dollars)					
Salaries	3,960	3,780	3,837	+ 57	1.5
Other personnel expenses	3,562	3,511	3,259	- 252	- 7.2
Business travel	1,430	1,190	1,218	+ 28	2.4
Other travel	572	588	613	+ 25	4.3
Data processing	—	23	—	- 23	—
Other administrative expenses	893	776	819	+ 43	5.5
TOTAL	10,417	9,868	9,746	- 122	- 1.2
B. Number of Paid Man-Years	83	76	77	+ 1	1.3

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

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

FY 1988 BUDGET BY PROGRAM

5. SPECIAL SERVICES TO MEMBER COUNTRIES

Supplementary Tables on Sub-Programs

5.3. IMF INSTITUTE TRAINING PROGRAM

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
I. PERSONNEL EXPENSES					
Salaries of staff	3,826	4,361	4,474	+ 113	2.6
Other personnel expenses of staff	2,627	3,023	2,740	- 283	- 9.4
Living allowances and other personnel expenses of participants	1,004	1,050	1,175	+ 125	11.9
Subtotal	7,457	8,434	8,389	- 45	- 0.5
II. TRAVEL EXPENSES					
Travel of staff	435	560	591	+ 31	5.5
Travel of participants	1,830	1,450	1,780	+ 330	22.8
Subtotal	2,265	2,010	2,371	+ 361	18.0
III. OTHER ADMINISTRATIVE EXPENSES					
Data processing	127	76	450	+ 374	492.1
Expenses attributable to staff	1,028	1,102	1,182	+ 80	7.3
Expenses attributable to participants	4,554 ¹	1,533 ¹	635	- 898	- 58.6
Subtotal	5,709	2,711	2,267	- 444	- 16.4
TOTAL	15,431	13,155	13,027	- 128	- 1.0
B. Number of Paid Man-Years	91	99	100	+ 1	1.0

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

6. INFORMATION AND STATISTICAL SERVICES

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	9,687	9,842	9,809	- 33	- 0.3
Other personnel expenses	6,027	6,319	5,701	- 618	- 9.8
Business travel	178	230	235	+ 5	2.2
Other travel	1,019	1,094	1,022	- 72	- 6.6
Data processing	5,410	3,205	2,758	- 447	- 13.9
Other administrative expenses	5,016	4,706	4,778	+ 72	1.5
Total	27,337	25,396	24,303	- 1,093	- 4.3
B. Number of Paid Man-Years	216	219	218	- 1	- 0.5
C. Selected Indicators of Activity					
Statistical time series maintained (thousand)	880	900	920	+ 20	2.2
Titles published	35	48	58	+ 10	20.8
Volumes/issues published	210	222	230	+ 8	3.6
Press releases	80	95	100	+ 5	5.3

¹Indicators of activity are for calendar years 1985 and 1986.

This program includes the Fund's publications; various information services, such as press conferences, press releases, press briefings, speeches, lectures, and seminars; and the development, collection, and maintenance of statistics for the data fund system.

The Fund's publications program has several 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 4 periodic 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 data fund, are also available for sale in the form of computer tapes. Third, there are 3 other periodic publications, the *IMF Survey*, *Finance & Development*, and *Staff Papers*, which describe and record Fund activities and its research efforts. A fourth group are books on matters of concern to the Fund and various miscellaneous publications, such as statistical manuals, reprints of the *Articles of Agreement*, revised editions of the *By-Laws*, *Rules and Regulations*; a series of Occasional papers; leaflets and pamphlets. Added to this group in 1986 was a new series, the *World Economic and Financial Surveys (WEFS)*, comprising topical staff studies of a periodical nature. In addition to the 1986 *World Economic Outlook* and its supplement, the new series included studies on primary

commodities, export credits and international capital markets. Books published in 1986 include *The Fund Agreements in the Courts, Volume III*; *Fiscal Policy in Smaller Industrial Countries, 1972-82*; *Wage Determination and Incomes Policy in Open Economies*; and *The IMF in a Changing World, 1945-85*. Also, the proceedings of two seminars for national officials entitled *Problems of International Money, 1972-85* and *Africa and the International Monetary Fund* were published along with a revision of *A Manual on Government Finance Statistics* and the twelfth issue of *Selected Decisions and Selected Documents*. Publications planned for FY 1988 include a study of the Fund's role in balance of payments adjustment over the period 1946-86, a review of the relevance of supply side tax policy to developing countries and a study of value added taxation. 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 the theoretical aspects of Fund programs, privatization, income distribution and budgetary systems. Two supplements to *International Financial Statistics* are also planned, along with several new pamphlets.

In 1986, the External Relations Department organized 53 press conferences and briefings (51 in 1985), and produced 95 (80) press releases along with 104 (79) short seminars at headquarters for groups of visitors. In addition to the 8 (7) information missions conducted in 1985 at which 650 (621) journalists were contacted, four overseas seminars and a colloquium were organized for nonofficials.

6. INFORMATION AND STATISTICAL SERVICES

In FY 1988, the department's emphasis will continue to be on broadening public understanding of the Fund and its role, and communicating policy changes as they emerge. Major emphasis will be placed on expanding contacts with news media in both industrial and developing countries through a combination of a more active press seminar program, more frequent background briefing sessions with senior staff for the press, and a number of seminars for nonofficials, of which plans are advanced for seminars in Italy and Germany.

Work continued on the development of a comprehensive framework of banking and external debt statistics; the number of banking centers reporting to the Fund remained at 32 in CY 1986. The Working Party on the statistical discrepancy in global current account balances issued its final report. The number of time series maintained in the Economic Information System, which replaced the Data Fund System, increased to 900,000 (880,000) series, covering statistics on 189 countries and territories (187 in 1985). Important features of the statistical services work

program in FY 1988 will include (i) the implementation of the recommendations of the Working Party on the statistical discrepancy in global current account balances including a meeting of national balance of payments experts to be hosted by the Fund; (ii) the further development of the new *Economic Information System* through the enhancement of data integration and data sharing among the Fund's departments; (iii) the extension and improvement of the data base on international banking statistics; and (iv) further development of a comprehensive data base on the external debt of individual countries. In conjunction with other participating international organizations, the Bureau of Statistics will continue its work in the International Compilers' Working Group on External Debt Statistics (ICWGEDS) and in the Intersecretariat Group on the revision of the United Nations *A System of National Accounts* (SNA). In accordance with the program on the revision of the SNA, the Fund is scheduled to host a meeting early in 1988 of experts in the field of government sector accounts.

FY 1988 BUDGET BY PROGRAM

6. INFORMATION AND STATISTICAL SERVICES

Supplementary Tables on Sub-Programs

6.1. PUBLICATIONS

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Personnel expenses	6,175	6,301	6,401	+ 100	1.6
Contractual printing	2,866	3,014	3,028	+ 14	0.5
Postage	879	1,158	1,217	+ 59	5.1
Data processing	1,030	908	786	- 122	- 13.4
Other costs	1,525	1,109	1,252	+ 143	12.9
Total Gross Cost	12,475	12,490	12,684	+ 194	1.6
Less Sales Income	- 1,237	- 1,480	- 1,630	- 150	10.1
TOTAL NET COST	11,238	11,010	11,054	+ 44	0.4
B. Number of Paid Man-Years	95	94	97	+ 3	3.2

FURTHER ANALYSIS BY INDIVIDUAL PUBLICATION

Costs (in thousands of U.S. dollars)					
Annual Report of the Executive Board	948	837	851	+ 14	1.7
Annual Report on Exchange Arrangements and Exchange Restrictions	314	330	348	+ 18	5.5
International Financial Statistics	2,298	2,544	2,664	+ 120	4.7
Direction of Trade Statistics	479	487	587	+ 100	20.5
Balance of Payments Statistics	431	408	418	+ 10	2.5
Government Finance Statistics	438	411	468	+ 57	13.9
Staff Papers	256	268	266	- 2	- 0.7
IMF Survey	2,044	2,202	2,202	—	—
Finance & Development ¹	867	730	728	- 2	- 0.3
Other publications ²	4,400	4,273	4,152	- 121	- 2.8
Total Gross Cost	12,475	12,490	12,684	+ 194	1.6
Sales Income (in thousands of U.S. dollars)					
Annual Report on Exchange Arrangements and Exchange Restrictions	- 6	- 4	- 4	—	—
International Financial Statistics	- 610	- 616	- 660	- 44	7.1
Direction of Trade Statistics	- 45	- 49	- 50	- 1	2.0
Balance of Payments Statistics	- 46	- 40	- 40	—	—
Government Finance Statistics	- 20	- 21	- 22	- 1	4.8
Staff Papers	- 37	- 35	- 35	—	—
IMF Survey	- 47	- 57	- 57	—	—
Other publications ²	- 426	- 658	- 762	- 104	15.8
Total Income	- 1,237	- 1,480	- 1,630	- 150	10.1
TOTAL NET COST	11,238	11,010	11,054	+ 44	0.4

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 1988 BUDGET BY PROGRAM

6. INFORMATION AND STATISTICAL SERVICES

Supplementary Tables on Sub-Programs

6.2. DEVELOPMENT AND COLLECTION OF STATISTICAL DATA

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	4,580	4,438	4,096	- 342	- 7.7
Other personnel expenses	2,625	2,739	2,424	- 315	-11.5
Business travel	—	—	—	—	—
Other travel	486	522	339	- 183	-35.1
Data processing	4,295	2,185	1,863	- 322	-14.7
Other administrative expenses	833	782	801	+ 19	2.4
Total	12,819	10,666	9,523	-1,143	-10.7
B. Number of Paid Man-Years	88	89	86	- 3	- 3.4

6.3. OTHER INFORMATION SERVICES¹

A. Costs (in thousands of U.S. dollars)					
Salaries	1,394	1,615	1,648	+ 33	2.0
Other personnel expenses	940	1,068	941	-127	-11.9
Business travel	163	200	205	+ 5	2.5
Other travel	206	256	332	+ 76	29.7
Data processing	85	112	109	- 3	- 2.7
Other administrative expenses	492	469	491	+ 22	4.7
Total	3,280	3,720	3,726	+ 6	0.2
B. Number of Paid Man-Years	33	36	35	- 1	- 2.8

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

FY 1988 BUDGET BY PROGRAM

7. RELATIONS WITH INTERNATIONAL ORGANIZATIONS

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	1,946	2,518	2,483	- 35	- 1.4
Other personnel expenses	1,320	1,695	1,463	- 232	- 13.7
Business travel	381	483	494	+ 11	2.3
Other travel	136	154	165	+ 11	7.1
Data processing	16	6	7	+ 1	16.7
Other administrative expenses	587	669	706	+ 37	5.5
Total	4,386	5,525	5,318	- 207	- 3.7
B. Number of Paid Man-Years	41	45	45	—	—
C. Selected Indicators of Activity					
Meetings of other international organizations attended by:					
Headquarters staff	84	96	95	- 1	- 1.0
Paris and Geneva staff	324	303	368	+ 65	21.5
Fund-Bank mission collaboration					
Bank missions including Fund staff	15	17	18	+ 1	5.9
Fund missions including Bank staff	11	15	16	+ 1	6.7
Joint Fund-Bank missions	—	6	7	+ 1	16.7

¹ Indicators of activity are for calendar years 1985 and 1986.

This program includes 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.

Close contact is maintained with the World Bank in connection with this program. As part of this activity, Fund staff attended 40 Bank Board meetings involving 51 agenda items and participated in 17 Bank missions in CY 1986 (15 in 1985), and Bank staff attended 89 Fund Board meetings involving 118 agenda items and participated in 15 (11) Fund missions. In FY 1988, 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 CY 1986, 96 (84) 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 180 (196) meetings of international organiza-

tions, including the OECD, the EC, the BIS, and the UNDP, and prepared 107 (126) reports. In FY 1988, the office's contacts with representative bankers and OECD, EC, and BIS officials will increase. Priority work on debt problems, aid flows, trade issues and financial market developments will require a more selective attendance at OECD meetings and coverage of some other traditional areas of activity. The Office in Geneva follows developments in organizations such as the GATT, the UNCTAD, the ECE, and the UNDP. In CY 1986, the staff in Geneva attended 123 (128) meetings and prepared 125 (89) reports dealing mainly with GATT and UNCTAD activities. In FY 1988, GATT activities are expected to expand substantially with the initiation of a new round of multilateral trade negotiations. Other Geneva Office work includes (i) ongoing preparatory work on trade, debt and development issues for UNCTAD VII, (ii) two ILO meetings on the impact of adjustment policies on employment and poverty alleviation, and (iii) a series of UNDP round tables on African countries. The Fund's central role in assisting countries to overcome their debt problems will also require increased participation in various forums dealing with these matters.

FY 1988 BUDGET BY PROGRAM

8. GENERAL SUPPORT SERVICES

	FY 1986 Actual ¹	FY 1987 Estimate ¹	FY 1988 Estimate	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
A. Costs (in thousands of U.S. dollars)					
Salaries	16,022	17,685	18,066	+ 381	2.2
Other personnel expenses	9,672	10,424	9,585	- 839	- 8.0
Business travel	291	334	341	+ 7	2.1
Other travel	1,077	1,121	1,208	+ 87	7.8
Data processing	5,755	6,704	6,662	- 42	- 0.6
Other administrative expenses	7,088	8,775	8,958	+ 183	2.1
Total	39,905	45,043	44,820	- 223	- 0.5
B. Number of Paid Man-Years	451	488	491	+ 3	0.6
C. Selected Indicators of Activity					
Staff recruited	658	743	800	+ 57	7.7
Staff enrolled in training courses	1,980	2,279	2,400	+ 121	5.3
EDP workstations	1,700	2,060	2,390 ²	+ 330	16.0
Travel authorizations processed	5,048	4,810	4,960	+ 150	3.1
Purchase orders written	2,231	2,580	2,800	+ 220	8.5
Pieces of mail handled (thousands)	1,700	1,500	1,600	+ 100	6.7
Cables processed (thousands)	151	159	167	+ 8	5.0
Books and periodicals loaned	59,237	59,196	62,000	+ 2,804	4.7
Words translated (thousands)	10,907	10,016	12,060	+ 2,044	20.4

¹Indicators of activity are for calendar years 1985 and 1986.

²Includes 1,100 microcomputers, 800 terminals, and 490 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 Staff Retirement Plan 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 CY 1986, the volume of general support services provided rose further, reflecting such special factors as the implementation of the job grading recommendations, the establishment of the review and appeals systems, and the development of the Early Retirement Assistance Scheme for staff in downgraded positions. Other highlights of support services included work for the Joint Committee on Staff Compensation, the revision of several General Administrative Orders, the issuance of a new Medical Benefits Handbook, the introduction of a capital budget, continuation of the study on space requirements, the assessment of the Fund's security requirements, and extensive follow-up on internal and external audit reports. In the area of data processing services, the Economic Information System (EIS) and the document storage and retrieval system became operational; the budget and

procurement systems, the cable system, and the various components of the Treasurer's Integrated Financial System (TIFS) were being progressively developed; and the development work for the economist workstation project continued.

In FY 1988, the volume of general support services is expected to continue at high levels. Major tasks will include further implementation of the recommendations emanating from the job grading exercise, revisions of compensation policies that are likely to emerge from the findings of the Joint Committee on Staff Compensation, reviews of the Staff Retirement Plan and the tax allowance system, and an expansion of the training program including special training for staff in downgraded positions; also, the construction of the computer center and working toward solving the Fund's long-term space needs will absorb considerable staff resources. The Fund-wide Security Action Plan will be implemented, with emphasis on improving building security, reducing the risk of leaks of sensitive information, and enhancing computer security. In the data processing area, the overall budget constraint for FY 1988 will require a continued deceleration in EDP expenditures for the development of new automated systems. However, this trend is partially offset by addi-

FY 1988 BUDGET BY PROGRAM

8. GENERAL SUPPORT SERVICES

tional production and maintenance expenditures as these development systems become fully operational. In the budget field, the newly-developed information and expenditures control system will provide a more effective means of cost control and, through the establishment of additional departmental discretionary budgets, will help to improve

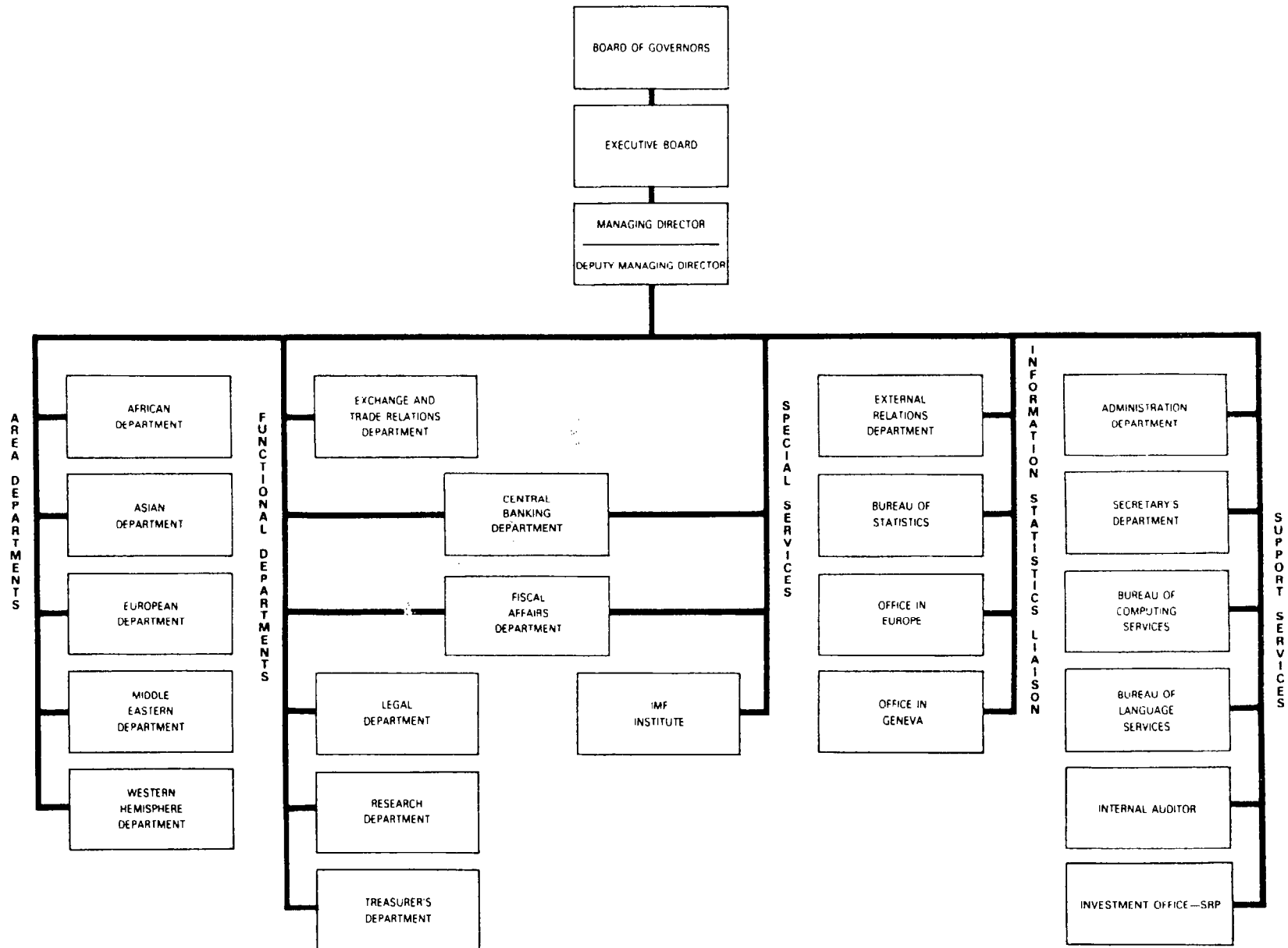
resource management in the departments. Special budget analyses planned for the coming year, including a review of food service costs and a study of the costs and benefits of contracting out a greater portion of support services, reflect the continued efforts to exert downward pressure on administrative expenses.

Administrative Budget for FY 1988

BUDGET BY UNIT OF ORGANIZATION

INTERNATIONAL MONETARY FUND

CHART OF ORGANIZATION



FY 1988 BUDGET BY UNIT OF ORGANIZATION

ESTIMATED COST OF EACH UNIT OF ORGANIZATION¹

(In thousands of U.S. dollars)

Unit of Organization	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses ²	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
Board of Governors ³	2,697	3,000	3,270	+ 270	9.0
Executive Board	20,364	20,503	19,034	- 1,469	-7.2
Management	1,616	1,621	1,665	+ 44	2.7
Area Departments					
African Department	17,394	18,031	18,900	+ 869	4.8
Asian Department	9,258	9,635	9,516	- 119	-1.2
European Department	9,979	10,013	10,003	- 10	-0.1
Middle Eastern Department	6,158	6,242	5,988	- 254	-4.1
Western Hemisphere Department	14,509	13,841	13,633	- 208	-1.5
Subtotal	57,298	57,762	58,040	+ 278	0.5
Functional & Special Service Departments					
Central Banking Department	11,221	11,080	11,239	+ 159	1.4
Exchange & Trade Relations Department	10,738	11,216	11,014	- 202	-1.8
Fiscal Affairs Department	12,718	12,332	12,441	+ 109	0.9
IMF Institute ³	13,809	10,722	10,626	- 96	-0.9
Legal Department	3,587	3,646	3,780	+ 134	3.7
Research Department	11,073	10,782	9,710	- 1,072	-9.9
Treasurer's Department	19,209	15,781	15,651	- 130	-0.8
Subtotal	82,355	75,559	74,461	- 1,098	-1.5
Information, Statistics & Liaison					
External Relations Department ³	7,397	7,683	7,786	+ 103	1.3
Bureau of Statistics ³	17,764	15,843	14,388	- 1,455	-9.2
Office in Europe	1,789	2,190	2,157	- 33	-1.5
Office in Geneva	754	977	909	- 68	-7.0
Special Representative to UN ⁴	322	319	—	- 319	—
Subtotal	28,026	27,012	25,240	- 1,772	-6.6
Support Services					
Administration Department ³	20,765	21,314	20,033	- 1,281	-6.0
Secretary's Department ³	10,855	10,474	9,622	- 852	-8.1
Bureau of Computing Services ³	11,519	14,888	18,365	+ 3,477	23.4
Bureau of Language Services	9,089	9,453	9,193	- 260	-2.8
Internal Auditor	1,221	1,284	1,293	+ 9	0.7
Investment Office—SRP	—	4,690	5,124	+ 434	9.3
Subtotal	53,449	62,103	63,630	+ 1,527	2.5
Total	245,805	247,560	245,340	- 2,220	-0.9

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 will be transferred to the External Relations Department, effective May 1, 1987.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

PERSONNEL CEILINGS OF DEPARTMENTS, BUREAUS & OFFICES

Unit of Organization	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Managing Director	2	—	2	4	—	2	—	2	4
Deputy Managing Director	1	1	1	3	—	1	1	1	3
Subtotal	3	1	3	7	—	3	1	3	7
Area Departments									
African Department	20	61	36	117	+11	21	69	38	128
Asian Department	13	27	21	61	+ 3	13	30	21	64
European Department	15	40	28	83	—	14	41	28	83
Middle Eastern Department	11	20	13	44	—	11	19	14	44
Western Hemisphere Department	18	55	33	106	—	18	55	33	106
Subtotal	77	203	131	411	+14	77	214	134	425
Functional & Special Service Departments									
Central Banking Department	8	8	8.5	24.5	—	8	8	8.5	24.5
Exchange & Trade Relations Department	16	42	33	91	+ 2	15	45	33	93
Fiscal Affairs Department	15	44	21.5	80.5	+ 1	15	45	21.5	81.5
IMF Institute	11	20	33.5	64.5	—	11	20	33.5	64.5
Legal Department	10	9	15	34	—	8	11	15	34
Research Department	12	49	23	84	+ 3	13	50	24	87
Treasurer's Department	12	65	54	131	+ 2	11	68	54	133
Subtotal	84	237	188.5	509.5	+ 8	81	247	189.5	517.5
Information, Statistics & Liaison									
External Relations Department	9	25	24.5	58.5	—	9	26	23.5	58.5
Bureau of Statistics	10	63	43	116	—	10	63	43	116
Office in Europe	3	4	8	15	—	3	4	8	15
Office in Geneva	2	1	3	6	—	2	1	3	6
Special Representative to UN	1	—	1	2	- 2 ¹	—	—	—	—
Subtotal	25	93	79.5	197.5	- 2 ¹	24	94	77.5	195.5
Support Services									
Administration Department	10	81	133.5	224.5	+ 2.5	10	81	136	227
Secretary's Department	9	27	64	100	- 1	8	27	64	99
Bureau of Computing Services	8	46	17	71	+ 2	8	46	19	73
Bureau of Language Services	5	54	41	100	- 3	4	53	40	97
Internal Auditor	1	6	1	8	+ 1	1	7	1	9
Investment Office—SRP	1	2	—	3	—	1	2	—	3
Subtotal	34	216	256.5	506.5	+ 1.5	32	216	260	508
Support Group									
Resident Representatives & Advisors	4	27	—	31	- 1	4	26	—	30
Secretarial Staff	—	1	27.5	28.5	—	—	1	27.5	28.5
Subtotal	4	28	27.5	59.5	- 1	4	27	27.5	58.5
Total	227	778	686	1,691	+20.5	221	799	691.5	1,711.5

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

FY 1988 BUDGET BY UNIT OF ORGANIZATION

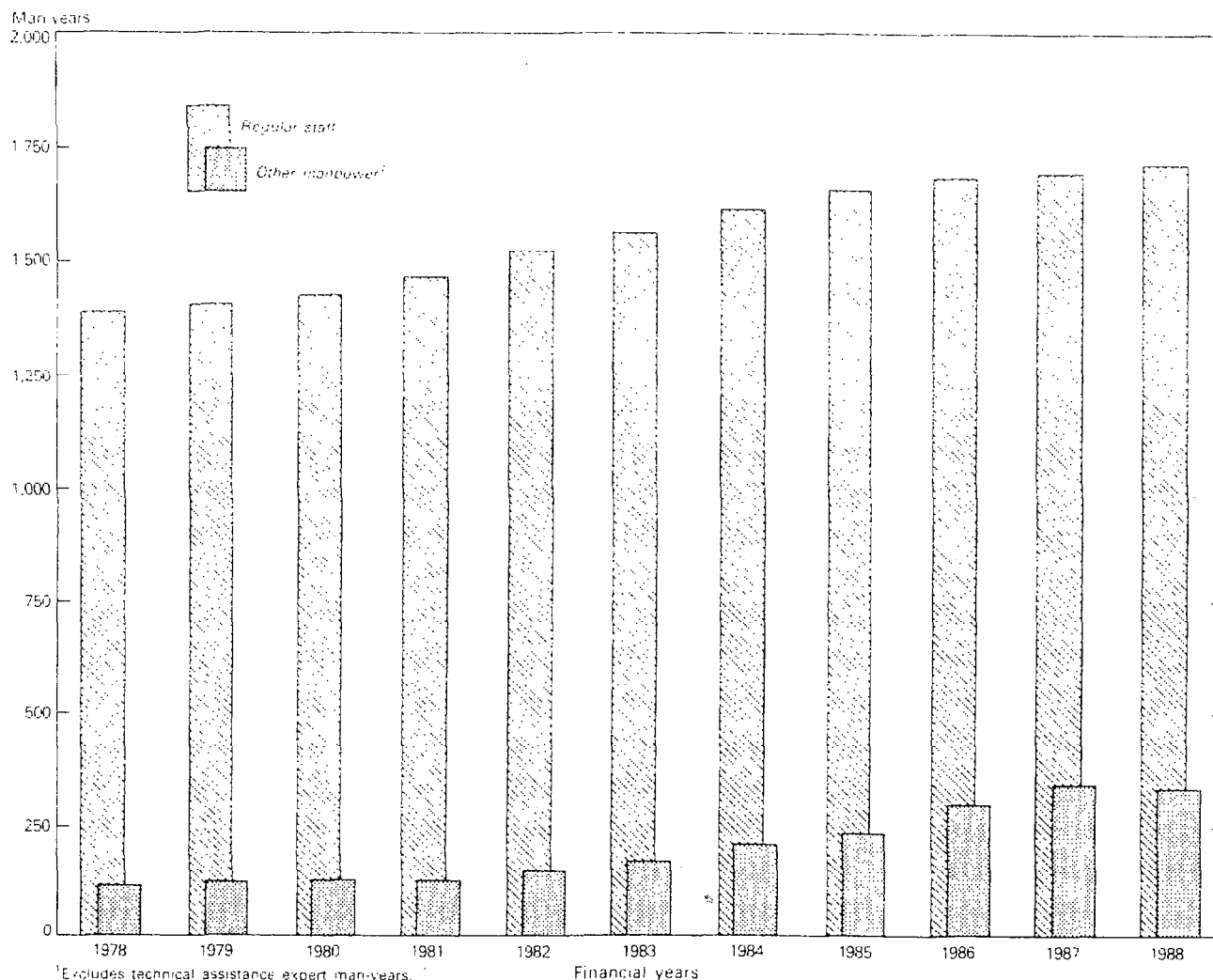
EFFECTIVE MANPOWER OF DEPARTMENTS, BUREAUS & OFFICES

Unit of Organization	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Management	4.8	2.0	6.2	13.0	+ 1.2	5.2	1.0	8.0	14.2
Area Departments									
African Department	19.8	69.3	40.7	129.8	+ 8.4	21.0	75.2	42.0	138.2
Asian Department	12.9	35.1	23.3	71.3	+ 2.0	13.5	35.8	24.0	73.3
European Department	15.3	43.9	29.6	88.8	+ 1.5	14.3	45.8	30.2	90.3
Middle Eastern Department	11.0	22.4	14.6	48.0	- 0.4	11.0	21.1	15.5	47.6
Western Hemisphere Department	18.1	63.4	32.6	114.1	+ 1.3	18.2	62.2	35.0	115.4
Subtotal	77.1	234.1	140.8	452.0	+12.8	78.0	240.1	146.7	464.8
Functional & Special Service Departments									
Central Banking Department	7.8	97.6	10.8	116.2	+ 0.5	7.8	97.8	11.1	116.7
Exchange & Trade Relations Department	16.2	49.3	34.8	100.3	+ 2.4	15.0	50.8	36.9	102.7
Fiscal Affairs Department	15.4	64.9	22.1	102.4	+ 6.2	15.2	69.7	23.7	108.6
IMF Institute	11.0	21.1	38.0	70.1	+ 0.8	11.1	21.5	38.3	70.9
Legal Department	9.0	9.0	16.8	34.8	+ 1.0	8.0	10.7	17.1	35.8
Research Department	16.1	49.9	24.3	90.3	+ 3.4	16.3	52.9	26.5	95.7
Treasurer's Department	11.6	60.8	62.3	134.7	+ 1.2	11.6	63.3	61.0	135.9
Subtotal	87.1	352.6	209.1	648.8	+17.5	85.0	366.7	214.6	666.3
Information, Statistics & Liaison									
External Relations Department	8.0	25.9	34.6	68.5	+ 0.5	9.3	27.0	32.7	69.0
Bureau of Statistics	10.8	64.0	45.7	120.5	- 0.3	10.6	64.0	45.6	120.2
Office in Europe	3.0	4.0	8.6	15.6	—	3.0	4.1	8.5	15.6
Office in Geneva	2.0	1.0	3.1	6.1	+ 0.2	2.0	1.0	3.3	6.3
Special Representative to UN	1.0	—	1.7	2.7	- 2.7 ¹	—	—	—	—
Subtotal	24.8	94.9	93.7	213.4	- 2.3	24.9	96.1	90.1	211.1
Support Services									
Administration Department	12.0	86.0	185.1	283.1	+ 1.0	12.0	86.8	185.3	284.1
Secretary's Department	9.1	27.8	78.5	115.4	+ 2.2	9.6	30.0	78.0	117.6
Bureau of Computing Services	8.5	98.9	50.3	157.7	—	9.0	101.0	47.7	157.7
Bureau of Language Services	5.0	55.9	48.1	109.0	+ 1.5	4.0	58.0	48.5	110.5
Internal Auditor	1.1	7.0	2.3	10.4	+ 0.4	1.2	7.0	2.6	10.8
Investment Office—SRP	1.0	1.0	1.0	3.0	+ 0.8	1.0	1.8	1.0	3.8
Subtotal	36.7	276.6	365.3	678.6	+ 5.9	36.8	284.6	363.1	684.5
Support Group									
Resident Representatives & Advisors	4.0	24.1	—	28.1	- 0.3	4.0	23.8	—	27.8
Fund-wide Reserve ²	—	9.0	19.7	28.7	- 1.0	—	10.0	17.7	27.7
Total	234.5	993.3	834.8	2,062.6	+33.8	233.9	1,022.3	840.2	2,096.4

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

²Unallocated manpower reserved for sick, maternity, and sabbatical leave.

GROWTH IN THE FUND'S STAFF CEILING AND OTHER MANPOWER



The International Monetary Fund has traditionally maintained two forms of employment: regular staff appointments (including fixed-term) and various types of temporary assistance; the latter includes participants in the Economist Program, summer interns, consultants, contractual appointments, overtime, and other temporary assistance. Temporary contractual assistance represents the largest portion of other manpower.

The Fund has, since its inception, adopted a policy of employing personnel on a temporary basis. External consultants and other contractual employees are engaged for limited periods to overcome various manpower shortages. In this regard, contractual appointments are used to obtain specialized knowledge, experience or skills that members of the current staff do not possess and are not required on a regular or long-term basis; or, to an extent that it is feasible to invest in training of existing staff (or hiring new staff with these skills). Examples of such contractual appointments are

systems analysts who provide specialized expertise for several months to design and develop new automated systems and prominent academics and economists who undertake studies or provide advice in areas of interest to the Fund. Contractual appointments are also used to meet short-term manpower shortages (i.e., clerical assistance) during peak work load periods, to fill a position temporarily vacant due to a lag in recruitment and to substitute during prolonged absences such as maternity and sick leave.

During the late seventies, the level of temporary assistance represented approximately 8 percent of total effective manpower. In FY 1983, temporary assistance represented 10 percent of total effective manpower and has increased, through FY 1987, at an average rate of 1.8 percent each year. This rise reflected a number of changes which had occurred over the years, including the increased use of free-lance translators and interpreters during peak work load periods such as the Annual and

Interim Committee Meetings and the utilization of specialists to plan and design space accommodations and building renovation. In addition, the increased level reflected the Fund's commitment to expand its automated data processing capabilities as a substantial increase was made in the employment of systems analysts to develop new automated facilities and to improve many existing systems. As specialized and short-term work requirements decrease, a corresponding decrease will occur in the utilization of temporary assistance. One area where a decline may be reflected in future years is in the EDP area where the substantial expansion in development work will begin to moderate in FY 1988. In addition, increases in the regular staff ceiling will reduce temporary assistance over time.

The chart above presents the growth over a ten-year period of the ceiling for regular staff and other manpower.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

ADMINISTRATION DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	8,443	8,729	8,925	+ 196	2.2
Other personnel expenses	5,341	5,646	5,246	- 400	- 7.1
Business travel	376	197	201	+ 4	2.0
Other travel	523	518	541	+ 23	4.4
Data processing	2,053	2,270	1,073	- 1,197	- 52.7
Other administrative expenses	4,029	3,954	4,047	+ 93	2.4
Total	20,765	21,314	20,033	- 1,281	- 6.0

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	1	1	3	—	1	1	1	3
Graphics Section	—	10	27	37	—	—	8	29	37
Service and Supply Section	—	15	43	58	—	—	16	42	58
Transportation Section	—	3	6	9	—	—	3	6	9
Subtotal	1	29	77	107	—	1	28	78	107
Budget and Planning Division	1	7	4.5	12.5	+1.5	1	8	5	14
Recruitment Division	1	4	6.5	11.5	+1	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	6	6	13
Joint Fund-Bank Library	1	19	19.5	39.5	—	1	19	19.5	39.5
Total staff ceiling	10	81	133.5	224.5	+2.5	10	81	136	227
Effective manpower estimates ¹	10.0	78.3	126.2	214.5	+2.5	10.0	78	129	217.0
Economist and Summer Intern Programs	—	0.3	—	0.3	-0.3	—	—	—	—
Consultants	2.0	—	—	2.0	—	2.0	—	—	2.0
Temporary Assistance	—	7.4	48.1	55.5	—	—	8.8	46.7	55.5
Overtime	—	—	10.8	10.8	-1.2	—	—	9.6	9.6
Total effective manpower	12.0	86.0	185.1	283.1	+1.0	12.0	86.8	185.3	284.1

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

SUMMARY OF FUNCTIONS

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

budgets, the Fund's personnel, the Fund's real property, procurement, and the Joint Library.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

ADMINISTRATION DEPARTMENT

Selected Work Load Indicators

indicator	Calendar Years				
	1982	1983	1984	1985	1986
Staff recruited	483	438	582	658	743
Staff enrolled in training courses	517	514	1,298	1,980	2,279
Benefits cases processed	2,671	2,956	2,976	3,014	3,200
Travel authorizations processed	4,120	4,711	4,752	5,048	4,810
Purchase orders written	1,378	1,500	1,995	2,231	2,580
Books and periodicals loaned	50,143	48,752	53,715	59,237	59,196
Administrative arrangements for staff and experts in the field	277	312	280	303	355

WORK PROGRAM IN CALENDAR YEAR 1986

The department was occupied with several special projects and key policy reviews, in addition to its normal day-to-day activities. Following the issuance of the results of the job grading exercise, the focus of personnel matters shifted to the consolidation and implementation of the job grading recommendations; establishment of the review and appeals systems; and development of the Early Retirement Assistance Scheme for staff whose positions were downgraded. Other special projects included work for the Joint Committee on Staff Compensation, reviews of the tax allowance system and the funding method for the SRP, issuance of a new Medical Benefits Handbook, updating of several key GAOs, introduction of a capital budget, development of the computerized expenditure control and procurement systems, review of the options

for the construction of a new Fund computer center, an analysis of Fund space requirements, and extensive follow-up on internal and external audit reports. The work load associated with normal day-to-day activities continued to increase, particularly in advising staff members on the implications of their grading and on early retirement. The high turnover of resident representatives, together with the increase in short-term contracts for technical experts, increased the work load for administrative support. In the Joint Library, the emphasis continued to be on the computerization of the circulation system and of the user access catalog system, which will allow Fund/Bank staff to search the collection from microcomputers in the Library or in their offices.

WORK PROGRAM IN FINANCIAL YEAR 1988

A number of ongoing projects will be completed and a range of new projects will be initiated. As the findings and recommendations of the Joint Committee on Compensation are finalized, a revised salary structure and a revised system for annual general and merit increases will have to be developed. Efforts to update and review the GAOs will continue, particularly in view of the proposal to establish an administrative tribunal. A heavy work load is envisaged with regard to job grading appeals, special training programs for downgraded staff, and an outplacement service for staff members who have reached their effective career ceiling. The increase in technical assistance programs is likely to put an additional burden on the very limited staff resources available for administering this activity. The review of the SRP will continue with the objective of finalizing a complete package of amendments. The tax allowance system will be examined further in the light of the new Tax Reform Act. It is also planned to review a number of personnel policies. The continued efforts to improve the allocation of resources within the institution, the further implementation of budget decentralization to departments, and improvement in the scope and quality of

work load indicators, will be given high priority. Other major areas of work include supervising the construction of the data center, acquiring and fitting new leased space, developing new safety and emergency procedures, and improving further the cost-effectiveness and quality of service provided by the Fund's travel agents. To help contain the increasing level of contractual manpower, it is proposed to close the Joint Library at 6 p.m. on weekdays and not to open at all on weekends.

It is proposed to raise the staff ceiling of the department by 2.5 positions: a budget officer position to meet increased demands for analyses and budgetary control, a personnel officer position to alleviate the heavy work load in the staff benefits area and to take up a number of policy issues; a personnel clerk position to alleviate pressures of increased work loads in recruitment activities; and a half-time budget clerk position to cope with the increased volume of analysis and correspondence. This increase will be offset by the abolition of one regular position. Total manpower available to the department is expected to increase by 1.0 man-year to 284.1 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

AFRICAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	7,019	7,351	7,773	+422	5.7
Other personnel expenses	5,475	5,846	5,620	-226	- 3.9
Business travel	2,282	2,543	2,601	+ 58	2.3
Other travel	789	785	1,034	+249	31.7
Data processing	539	296	552	+256	86.5
Other administrative expenses	1,290	1,210	1,320	+110	9.1
Total	17,394	18,031	18,900	+869	4.8

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	10	3	16	29	+ 1	11	5	14	30
East African Division	1	5	2	8	—	1	5	2	8
Equatorial African Division	1	6	2	9	+ 2	1	7	3	11
Mideast African Division	1	6	2	9	+ 2	1	7	3	11
Midwest African Division	1	6	2	9	+ 1	1	7	2	10
North African Division	1	5	2	8	+ 1	1	6	2	9
North Central African Division	1	6	2	9	+ 2	1	7	3	11
Northwest African Division	1	6	2	9	—	1	6	2	9
South Central African Division	1	6	2	9	—	1	6	2	9
Southeast African Division	1	6	2	9	—	1	6	2	9
Southwest African Division	1	6	2	9	+ 2	1	7	3	11
Total staff ceiling	20	61	36	117	+ 11	21	69	38	128
Effective manpower estimates ¹	19.8	60.0	35.1	114.9	+ 11.5	21.0	68.2	37.2	126.4
Economist and Summer Intern Programs	—	4.8	0.8	5.6	+ 1.9	—	7.0	0.5	7.5
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	4.5	2.8	7.3	- 3.6	—	—	3.7	3.7
Overtime	—	—	2.0	2.0	- 1.4	—	—	0.6	0.6
Total effective manpower	19.8	69.3	40.7	129.8	+ 8.4	21.0	75.2	42.0	138.2

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 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.

AFRICAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Member countries	45	45	46	46	46
Countries using Fund resources ¹	19	21	20	17	23
Consultation missions	32	37	37	42	43
of which, also concerned					
with use of Fund resources (UFR)	(19)	(20)	(22)	(22)	(26)
Staff trips on operations and					
relations with member countries ²	221	293	308	320	386
New programs approved ³	11	15	10	14	18
Programs continuing ⁴	—	2	4	5	5
Program months ⁵	140	180	153	177	181
SAF programs approved	—	—	—	—	6
Staff reports prepared ⁶	...	...	...	...	110
Article IV Consultations	(...)	(...)	(...)	(...)	(29)
Article IV Consultations and UFR	(...)	(...)	(...)	(...)	(13)
Recent Economic Developments	(...)	(...)	(...)	(...)	(42)
Use of Fund resources ⁷	(...)	(...)	(...)	(...)	(26)

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.

⁷Excluding special facilities (CFF and BSFF).

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the work load of the department increased substantially as a result of a broader recognition by governments of the seriousness of their economic situation, a greater complexity of issues, and the introduction of the Structural Adjustment Facility (SAF). The department conducted 106 missions (82 in 1985). Of the total, there were 43 (42) Article IV consultation missions, 26 (22) of which were combined with the use of Fund resources negotiations. There were 61 (36) missions concerned exclusively with the use of Fund resources, largely reflecting the additional work load occasioned by SAF (33 missions involved SAF-related work). The number of technical assistance missions also rose substantially

to 13 (1), while other staff visits and participation in debt rescheduling meetings and consultative groups declined to 41 (54). In addition to the negotiations conducted in the host country, 20 (14) were held at headquarters.

New stand-by arrangements were approved for 18 (14) member countries, as well as SAF programs for 6 (0) countries. The number of stand-by arrangements actually in effect at year-end was 21 (17). With regard to use of Fund resources, 20 (15) member countries made drawings in regular credit tranches, 11 (5) made drawings under special facilities, including 6 (0) under the SAF, and 1 (0) country made drawings under the policy for emergency assistance.

WORK PROGRAM IN FINANCIAL YEAR 1988

For FY 1988, the volume of work activities is expected to rise further, mainly reflecting additional requests for SAF assistance. The number of Article IV consultation missions is expected to be about the same as in 1986. The number of separate use of Fund resources missions is expected to increase, largely due to activities associated with the SAF. Substantially more time will be spent at headquarters and with the World Bank in preparation of Policy Framework Papers and other SAF-related activity.

It is proposed to add 11 new positions to handle the increased SAF-related work load: 1 Advisor, 6 economists, and 4 secretarial positions. Total manpower available to the department is estimated to increase by 8.4 man-years to 138.2 man-years. In addition, the department will continue to utilize 13 Resident Representative and Advisor positions during the coming year.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

ASIAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	3,844	4,130	4,214	+ 84	2.0
Other personnel expenses	3,031	3,165	2,877	- 288	- 9.1
Business travel	923	969	991	+ 22	2.3
Other travel	464	489	463	- 26	- 5.3
Data processing	242	181	226	+ 45	24.9
Other administrative expenses	754	701	745	+ 44	6.3
Total	9,258	9,635	9,516	- 119	- 1.2

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	3	2	6	+1	1	4	2	7
Division C	1	4	3	8	+1	1	5	3	9
Division D	1	4	3	8	—	1	4	3	8
Division E	1	5	2	8	+1	1	6	2	9
Division F	1	4	3	8	—	1	4	3	8
Total staff ceiling	13	27	21	61	+3	13	30	21	64
Effective manpower estimates ¹	12.3	26.8	20.1	59.2	+3.3	12.5	29.8	20.2	62.5
Economist and Summer Intern Programs	—	5.4	0.5	5.9	+0.6	—	6.0	0.5	6.5
Consultants	0.6	—	—	0.6	+0.4	1.0	—	—	1.0
Temporary Assistance	—	2.9	2.3	5.2	-2.7	—	—	2.5	2.5
Overtime	—	—	0.4	0.4	+0.4	—	—	0.8	0.8
Total effective manpower	12.9	35.1	23.3	71.3	+2.0	13.5	35.8	24.0	73.3

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 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.

ASIAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Member countries	23	23	23	24	25
of which, G-7 countries	(1)	(1)	(1)	(1)	(1)
Countries using Fund resources ¹	7	11	5	7	7
Consultation missions	21	21	20	21	24
of which, also concerned					
with use of Fund resources (UFR)	(8)	(9)	(5)	(5)	(10)
Staff trips on operations and					
relations with member countries ²	114	116	109	104	112
New programs approved ³	1	5	2	4	2
Programs continuing ⁴	4	5	5	3	5
Program months ⁵	35	64	45	37	63
Staff reports prepared ⁶	...	...	...	...	42
Article IV Consultations	(...)	(...)	(...)	(...)	(14)
Article IV Consultations and UFR	(...)	(...)	(...)	(...)	(6)
Recent Economic Developments	(...)	(...)	(...)	(...)	(20)
Use of Fund resources ⁷	(...)	(...)	(...)	(...)	(2)

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. 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.⁷Excluding special facilities (CFF and BSFF).

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the department conducted 34 missions (37 in 1985). There were 24 (21) Article IV consultation missions, of which 10 (5) involved use of Fund resources. Of the remaining 10 (16) missions, 9 related exclusively to the use of Fund resources and 1 involved preparation for a report on the use of the Inter-Governmental Group on Indonesia. In addition, there were 4 staff visits to China and Nepal to discuss the use of Fund resources. The department also provided staff members for 4 (1) technical assistance missions, 2 recruitment missions and 5 semi-

nars. In addition, senior staff in the department held policy discussions during 6 (7) staff visits to member countries, and participated in 9 (7) Aid Group meetings. The department also maintained contact with regional organizations by sending observers to the Annual Meetings of ESCAP and ASDB.

During 1986, new stand-by arrangements were approved for 2 (4) member countries. With regard to use of Fund resources, 7 (6) countries drew in the credit tranches and 1 (2) under the Compensatory Financing Facility.

WORK PROGRAM IN FINANCIAL YEAR 1988

In FY 1988, work on Japan is expected to be heavier, especially in view of the increased importance of policy coordination among the major countries. Work on other industrializing countries in East and Southeast Asia will intensify as their role in the world economy is rapidly increasing. With continued low primary product prices, policy discussions and analytical work is expected to increase in a number of countries. The focus on growth-oriented adjustment policies is adding a new and enhanced dimension to the department's work.

It is proposed to add 3 economist positions for the increased work load. Total manpower available to the department is expected to increase by 2.0 man-years to 73.3 man-years. Following the closing of the post in Korea in July 1987, the department will continue to utilize 6 Resident Representative and Advisor positions during the coming year.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

CENTRAL BANKING DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease –	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	6,425	6,466	6,521	+ 55	0.9
Other personnel expenses	2,894	2,766	2,736	– 30	– 1.1
Business travel	306	303	310	+ 7	2.3
Other travel	1,236	1,191	1,258	+ 67	5.6
Data processing	38	61	102	+ 41	67.2
Other administrative expenses	322	293	312	+ 19	6.5
Total	11,221	11,080	11,239	+ 159	1.4

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	—	1	7	2	10
Total staff ceiling	8	8	8.5	24.5	—	8	8	8.5	24.5
Effective manpower estimates ¹	7.8	7.6	8.4	23.8	+0.2	7.8	7.8	8.4	24.0
Economist and Summer Intern Programs	—	1.0	0.3	1.3	—	—	1.0	0.3	1.3
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	2.1	2.1	+0.2	—	—	2.3	2.3
Overtime	—	—	—	—	+0.1	—	—	0.1	0.1
Subtotal	7.8	8.6	10.8	27.2	+0.5	7.8	8.8	11.1	27.7
Experts	—	89.0	—	89.0	—	—	89.0	—	89.0
Total effective manpower	7.8	97.6	10.8	116.2	+0.5	7.8	97.8	11.1	116.7

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

SUMMARY OF FUNCTIONS

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

the World Bank and other international organizations on capital market matters.

The entire staff is engaged in providing advisory services on monetary policy and other central banking matters. The senior staff 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 1988 BUDGET BY UNIT OF ORGANIZATION

CENTRAL BANKING DEPARTMENT**Selected Work Load Indicators**

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Technical assistance					
Countries assisted	53	64	66	68	64
Number of panel experts	114	149	149	141	150
Expert years on assignment	77.2	88.1	97.9	93	92
Number of advisory missions	10	7	12	15	19
Number of advisory reports/legislation	10	5	10	11	24
Applied research					
Number of studies finalized	3	3	5	2	5

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the number of expert years on assignment declined marginally, reflecting the reduction in the FY 1987 technical assistance budget. A total of 92 (93) man-years of experts' services were provided to 59 (64) countries and 5 (4) multinational institutions. The number of experts assigned increased to 150 (141 in 1985) as the department substituted, wherever possible, short-term assignments for longer ones. In addition, 68 assignments were terminated in 1986 reflecting the department's continued efforts to phase out assistance in areas where countries have been able to build up a level of expertise and have become self-sufficient.

The department's advisory work continued to expand,

reflecting the persistence of bank solvency problems in a number of countries and the department's increased contribution to stand-by and Structural Adjustment Facility programs. Altogether, 19 (15) advisory missions were fielded which produced 24 (11) reports.

The increased involvement in advisory services activities limited the department's ability to provide staff for area department missions with such participation declining to 4 (6) in 1986. Similarly, the time spent on applied research was reduced to 23 (62) man-months with 5 (2) major studies completed and 9 (12) in progress at year-end.

WORK PROGRAM IN FINANCIAL YEAR 1988

Given the continued budgetary constraints in FY 1988, technical assistance activities are expected to be maintained at present levels with the assignments of panel experts remaining at 89 man-years.

The number of advisory missions is expected to increase in order to provide support for stand-by and Structural Adjustment Facility programs as well as to accommodate a number of requests for technical assist-

ance that cannot be met under the experts' program. Participation in area department missions and research activities is projected to increase marginally from FY 1987 levels.

No increase in the staff ceiling is proposed for FY 1988. Total manpower available to the department is estimated to increase by 0.5 man-years to 116.7 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

EUROPEAN DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,288	4,367	4,558	+191	4.4
Other personnel expenses	2,967	3,055	2,751	-304	- 10.0
Business travel	1,014	1,106	1,131	+ 25	2.3
Other travel	353	346	372	+ 26	7.5
Data processing	498	305	332	+ 27	8.9
Other administrative expenses	859	834	859	25	3.0
Total	9,979	10,013	10,003	- 10	- 0.1

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	2	8	19	- 3	7	2	7	16
Central European Division	1	6	4	11	- 1	1	6	3	10
Eastern European Division	1	10	4	15	- 15	—	—	—	—
Eastern European Division I	—	—	—	—	+ 9	1	5	3	9
Eastern European Division II	—	—	—	—	+ 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	5	3	9
Western European Division	1	5	3	9	+ 1	1	6	3	10
Total staff ceiling	15	40	28	83	—	14	41	28	83
Effective manpower estimates ¹	15.0	38.5	26.8	80.3	- 1.5	13.5	38.3	27.0	78.8
Economist and Summer Intern Programs	—	4.2	0.5	4.7	+ 0.6	—	5.0	0.3	5.3
Consultants	0.3	—	—	0.3	+ 0.5	0.8	—	—	0.8
Temporary Assistance	—	1.2	2.1	3.3	+ 1.8	—	2.5	2.6	5.1
Overtime	—	—	0.2	0.2	+ 0.1	—	—	0.3	0.3
Total effective manpower	15.3	43.9	29.6	88.8	+ 1.5	14.3	45.8	30.2	90.3

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 and the OECD.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

EUROPEAN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Member countries	27	27	27	27	28
of which, G-7 countries	(4)	(4)	(4)	(4)	(4)
Countries using Fund resources ¹	7	5	5	1	1
Consultation missions	17	28	20	25	30
of which, also concerned with use of Fund resources (UFR)	(2)	(5)	(4)	(2)	(—)
Staff trips on operations and relations with member countries ²	147	191	168	159	152
New programs approved ³	2	2	3	1	—
Programs continuing ⁴	3	3	3	4	1
Program months ⁵	37	52	44	18	5
Enhanced surveillance months ⁶	—	—	—	—	7
Staff reports prepared ⁷	...	...	...	...	54
Article IV Consultations	(...)	(...)	(...)	(...)	(25)
Article IV Consultations and UFR	(...)	(...)	(...)	(...)	(1)
Recent Economic Developments	(...)	(...)	(...)	(...)	(26)
Use of Fund resources ⁸	(...)	(...)	(...)	(...)	(1)
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.

⁸Including enhanced surveillance; excluding special facilities (CFF and BSFF).

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the department conducted 90 missions (77 in 1985). Of the total, there were 30 (25) Article IV consultation missions. There were no separate use of Fund resources missions, reflecting the expiration of the standby arrangement with Yugoslavia in 1986. There was 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, 1 (4) program expired. One country (1) made drawings under the credit tranches while no country made drawings under the special facilities. The department continued to carry major responsibilities for the work in connection with the WEO and with regard to the Group of Five.

WORK PROGRAM IN FINANCIAL YEAR 1988

The work load in FY 1988 is expected to be at least as heavy as in CY 1986. Consultation missions are again expected to constitute the bulk of the department's work, and the amount of time to be spent on consultation discussions is likely to increase. It is anticipated that there will be discussions with a number of countries on the use of Fund resources. Work on the WEO is expected to remain heavy and an increased work load with regard to the G-5 and G-7 is anticipated in FY 1988.

It is proposed to add a seventh division in the department to ease the work pressures at the division chief level. It is estimated that there will be an increase of 1.5 man-years in the total manpower available to the department; though in terms of experience, there will be some deterioration and the total staff ceiling at the end of the year will be the same as in FY 1987.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

EXCHANGE AND TRADE RELATIONS DEPARTMENT

Estimated Expenses

Type of Expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,629	4,825	4,992	+ 167	3.5
Other personnel expenses	3,210	3,396	3,071	- 325	- 9.6
Business travel	1,196	1,317	1,346	+ 29	2.2
Other travel	362	381	406	+ 25	6.6
Data processing	270	337	137	- 200	- 59.3
Other administrative expenses	1,071	960	1,062	+ 102	10.6
Total	10,738	11,216	11,014	- 202	- 1.8

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	8	1	8	17	-2	7	1	7	15
Consultation Practices Division	1	5	2	8	—	1	5	2	8
Development Finance Division	1	2	1	4	+4	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	16	42	33	91	+2	15	45	33	93
Effective manpower estimates ¹	16.0	41.2	32.7	89.9	+1.6	15.0	43.8	32.7	91.5
Economist and Summer Intern Programs	—	6.6	—	6.6	-1.1	—	5.0	0.5	5.5
Consultants	0.2	—	—	0.2	-0.2	—	—	—	—
Temporary Assistance	—	1.5	1.5	3.0	+1.7	—	2.0	2.7	4.7
Overtime	—	—	0.6	0.6	+0.4	—	—	1.0	1.0
Total effective manpower	16.2	49.3	34.8	100.3	+2.4	15.0	50.8	36.9	102.7

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 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.

EXCHANGE AND TRADE RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Fund mission participation (overseas trips) ¹	185	207	193	206	214
of which:					
Operations and relations with member countries	(138)	(174)	(156)	(167)	(178)
Policy development and research	(25)	(19)	(28)	(19)	(14)
Review and approval of country papers:					
Consultations	98	80	97	108	99
Use of Fund resources	68	82	67	52	48
Joint consultation/use of Fund resources	...	38	21	24	25
Papers prepared:					
Policy papers	18	30	30	22	27
Information papers, GATT papers and departmental memoranda	17	19	23	19	18
Board papers on exchange systems and rates	44	45	59	65	70

¹A9-B5 staff trips only.

WORK PROGRAM IN CALENDAR YEAR 1986

The department actively participated in the increased operational work load of the area departments. In 1986, staff of the department participated in 167 use of Fund resources, consultation, and related missions (158 in 1985) and 79 (72) missions for other country matters. In addition, staff participated in 76 (69) discussions with authorities at headquarters. The introduction of the Structural Adjustment Facility (SAF) in March required considerable staff resources for the preparation of policy papers and the increased level of collaboration with the World Bank. Operational work related to debt rescheduling through the Paris Club and commercial banks and to the implementation of the Baker initiative continued at a significant level.

In the policy area, 27 papers (22 in 1985) were prepared for the Executive Board and the Interim and Development Committees. Considerable attention was devoted to the issues of conditionality, program design and performance criteria in Fund programs, surveillance, members' external payments arrears, the implementation of the debt strategy, multilateral official debt rescheduling and activities of multilateral development banks. Other policy papers included reports on international capital markets, export credit developments and prospects, experience in developing countries with floating exchange rate systems, and proposals of the G-10 and G-24.

WORK PROGRAM IN FINANCIAL YEAR 1988

The operational work of the department is expected to increase in FY 1988. Activity on the SAF is expected to increase sharply, while the work load related to other Fund programs, surveillance through Article IV consultations, and assistance in the area of structural changes in exchange markets will remain substantial. Additional resources will be devoted to development finance issues, in particular to improve liaison with the World Bank, to establish close working relationships with aid agencies, and to strengthen Fund advice in the area of structural reform. It is anticipated that the work on trade issues will increase, particularly as developments in the Uruguay Round occur 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 also increase in FY 1988. Papers will be prepared for Board discussion on conditionality, including the monitoring of supply-side policies; the Structural Adjustment Facility; access policy and limits for 1988; surveillance including issues related to enhanced surveillance, trade policy issues and issues arising out of the Board discussion on proposals contained in the G-24 report. Policy work will continue on the debt strategy, including commercial bank and multilateral official debt rescheduling, developments and innovations in international capital markets, and relations with export credit and aid agencies.

It is proposed to add 2 economist positions in light of the expected increases in work load, particularly in the area of development finance. Total manpower available to the department is estimated to increase by 2.4 man-years to 102.7 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

EXTERNAL RELATIONS DEPARTMENT

Estimated Expenses

Type of Expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	2,643	2,836	3,027	+ 191	6.7
Other personnel expenses	1,782	1,878	1,741	- 137	- 7.3
Business travel	228	164	193	+ 29	17.7
Other travel	278	287	302	+ 15	5.2
Data processing	493	430	291	- 139	- 32.3
Other administrative expenses	1,973	2,088	2,232	+ 144	6.9
Total	7,397	7,683	7,786	+ 103	1.3

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	2	5	12	+1 ¹	6	3	4	13
Publications Unit	—	1	9	10	—	—	1	9	10
Current Publications									
Division	1	5	3	9	—	1	5	3	9
Editorial Division	1	9	2.5	12.5	—	1	9	2.5	12.5
Information Division	1	4	3	8	—	1	4	3	8
Finance & Development									
Office	1	4	2	7	-1	—	4	2	6
Total staff ceiling	9	25	24.5	58.5	—	9	26	23.5	58.5
Effective manpower estimates ²	8.0	24.9	24.1	57.0	+0.2	9.0	25.0	23.2	57.2
Economist and Summer									
Intern Programs	—	—	0.3	0.3	-0.3	—	—	—	—
Consultants	—	—	—	—	+0.3	0.3	—	—	0.3
Temporary Assistance	—	1.0	9.5	10.5	+0.4	—	2.0	8.9	10.9
Overtime	—	—	0.7	0.7	-0.1	—	—	0.6	0.6
Total effective manpower	8.0	25.9	34.6	68.5	+0.5	9.3	27.0	32.7	69.0

¹Reflects the transfer of the SRUN office to EXR, effective May 1, 1987.

²The 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.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

EXTERNAL RELATIONS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Information					
Enquiries from general public	...	26,600	28,300	32,400	37,650
Visitors under visitors program	...	1,820	1,680	1,760	9,000 ¹
Press seminars, conferences, briefings	...	39	47	51	53
Press Contacts—Telephone Interviews	...	12,000	11,000	11,000	11,500
Publications					
Number of pages edited and published	...	...	...	8,905	12,635
Titles published	44	44	34	35	48
Volumes/issues published	223	230	215	210	222

¹Official opening of the IMF Visitors' Center.

WORK PROGRAM IN CALENDAR YEAR 1986

During a year of continued expansion in departmental work programs, a number of projects, including the film on the Fund, "The IMF at Work," and the development of the IMF Visitors' Center were completed. In support of the major work programs, the department held 53 press conferences and briefings (51 in 1985), and produced 95 (80) press releases as well as conducting 104 (79) short seminars at headquarters for groups of visitors. Approximately 11,500 (11,000) personal and telephone contacts were made with the press and an estimated 375 (358) background interviews were arranged with senior staff members and management. Articles and speeches reviewed for publication and delivery outside the Fund numbered 104 (145). In addition to the 8 (7) information missions conducted in 1986 at which 650 (621) journalists were contacted, four seminars (in New Zealand, Tunisia, Argentina, and India) and a colloquium in China were organized.

The department continued to publish the daily news digest, *Morning Press*; a monthly report for press use on Fund statistics, *IMF Memorandum*, which is distributed in English, French, German, and Spanish; and the *IMF*

Survey which, at the end of 1986, had a circulation outside the Fund, the World Bank, and other Washington-based agencies of 18,654 in English (14,500 in 1985), 4,484 (4,000) in French, and 4,287 (3,900) in Spanish. *Finance and Development*, a Fund-World Bank quarterly journal produced in seven languages, had a circulation at the end of 1986 of 118,836 (124,500).

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*. A new series, the *World Economic and Financial Surveys (WEFS)*, comprising important staff studies of substantial public interest was introduced. In addition to the 1986 *World Economic Outlook* and its supplement, topics covered in the new series included the outlook for prices of primary commodities, export credits and international capital markets. Sales of 11,624 copies of the *World Economic Outlook* in 1986 were slightly lower than the level of the previous year. Publication revenues (including tape subscriptions) were \$1,831,938 (\$1,582,488 in 1985).

WORK PROGRAM IN FINANCIAL YEAR 1988

The persistent indebtedness problems of many Fund members, increased attention to economic policy coordination and monetary reform issues, and the arrival of a new Managing Director assure a high level of interest in the Fund and its policies. In FY 1988 the department's emphasis will continue to be on broadening public understanding of the Fund and its role and accurately communicating any policy changes as they emerge. Major emphasis will be placed on expanding contacts with news media in both industrial and developing countries through a combination of a more active press seminar program (to include 3 seminars for editorial writers and senior correspondents in New York, Washington and Germany and 4

regional seminars in Latin America, Africa, Australasia, and the United States), more frequent background briefing sessions with senior staff for the press, increased information missions (9 planned) and three seminars for nonofficials, of which plans are advanced for seminars in Italy and Germany.

No increase in the staff ceiling is proposed for FY 1988. A redistribution of the department's work load will accommodate the transfer of the staff of the Special Representative to the United Nations office to the department. Total manpower available is estimated to increase by 0.5 man-years to 69.0 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	5,903	5,644	6,044	+ 400	7.1
Other personnel expenses	3,504	3,544	3,279	- 265	- 7.5
Business travel	1,302	1,109	1,134	+ 25	2.3
Other travel	745	844	904	+ 60	7.1
Data processing	354	325	160	- 165	- 50.8
Other administrative expenses	910	866	920	+ 54	6.2
Total	12,718	12,332	12,441	+ 109	0.9

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	8	2	11
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	8	2	11	+1	1	9	2	12
Total staff ceiling	15	44	21.5	80.5	+1	15	45	21.5	81.5
Effective manpower estimates ¹	14.8	40.0	20.3	75.1	+0.6	14.4	41.0	20.3	75.7
Economist and Summer									
Intern Programs	—	2.6	0.5	3.1	—	—	2.6	0.5	3.1
Consultants	0.6	—	—	0.6	+0.2	0.8	—	—	0.8
Temporary Assistance	—	0.3	1.2	1.5	+1.4	—	0.1	2.8	2.9
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
Subtotal	15.4	42.9	22.1	80.4	+2.2	15.2	43.7	23.7	82.6
Experts	—	22.0	—	22.0	+4.0	—	26.0	—	26.0
Total effective manpower	15.4	64.9	22.1	102.4	+6.2	15.2	69.7	23.7	108.6

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

SUMMARY OF FUNCTIONS

The primary functions of the department are to provide fiscal analysis 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 the 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 1988 BUDGET BY UNIT OF ORGANIZATION

FISCAL AFFAIRS DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Fund mission participation ¹	82	105	102	122	96
Technical assistance					
Countries assisted	48	46	48	57	55
Panel experts' assignments	67	68	67	67	63
Staff assignments	23	24	30	53	51
Formal reports	28	17	13	24	23
IMF Institute teaching sessions given by FAD staff	156	138	140	118	133
Departmental memoranda and working papers issued	25	24	19	24	14

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

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the department was again extensively involved in Fund missions; although the pressures on the staff made it necessary to decline some area department requests, FAD staff participated in 93 missions (115 in CY 1985), of which 13 (20) were Article IV consultations, and 80 (95) were concerned with the use of Fund resources including 13 Structural Adjustment Facility missions. Resources devoted to participation in area department missions facing critical or major fiscal issues increased significantly with a corresponding decrease in less complex Article IV consultations. In the geographical distribution of missions, African Department countries continued to predominate (58), followed by the Asian Department countries (15) and the Western Hemisphere Department countries (13). In addition, FAD staff participated in 3 (7) World Bank missions. The number of area department papers reviewed by FAD increased to 612 (556).

In 1986, requests for technical assistance services continued to increase. Technical assistance was provided to 55 (57) countries involving 34.7 (42.5) man-years, of which 11.7 (14.7) were staff time and 23.0 (27.8) were panel experts' time. There was a marked increase in short-term missions (to 51 from 41) in contrast to long-term missions which were reduced to 23 from 30. Staff time devoted to research increased to 6.7 (5.6) man-years and resulted in the production of 12 (19) Departmental Memoranda and 2 (5) Working Papers covering subjects of primary importance to the Fund's operational and technical assistance activities. In addition, the department made significant contributions to the World Economic Outlook exercise.

In 1986, FAD staff conducted 2 (2) Public Finance courses and provided lecturers for several other courses organized by the IMF Institute. The number of sessions conducted by FAD staff in 1986 increased to 133 (118).

WORK PROGRAM IN FINANCIAL YEAR 1988

The department will continue to allocate a major proportion of its resources to the participation in, and the support of area department missions. The anticipated increase in SAF negotiations and reassessments is likely to be reflected in a larger number of missions which will require the participation of a fiscal economist. In addition, in the context of increased collaboration with the World Bank, the department will, on a selective basis, respond to a larger number of requests for the participation of Fund fiscal specialists in Bank missions.

The technical assistance work load is expected to increase in FY 1988 to levels experienced in earlier years as an unusually large number of requests processed in late

1986 are now awaiting implementation. Research activities are expected to continue to contribute to the formulation of policies in the fiscal area, supporting both operational work and technical assistance. For these activities and for the collaboration work with the IMF Institute, manpower allocations will be similar to previous years.

It is proposed to add an economist position to support the fiscal aspects of SAF programs and increased World Bank collaboration. A budget of 26 man-years is proposed for technical assistance experts. Total manpower available to the department is estimated to increase by 6.2 man-years to 108.6.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

IMF INSTITUTE

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	3,032	3,193	3,300	+ 107	3.4
Other personnel expenses	3,093	3,266	3,187	- 79	- 2.4
Business travel	193	187	192	+ 5	2.7
Other travel	2,024	1,645	1,989	+ 344	20.9
Data processing	127	76	444	+ 368	484.2
Other administrative expenses	5,340	2,355	1,514	- 841	- 35.7
Total	13,809	10,722	10,626	- 96	- 0.9

¹Includes the estimated cost of renovating the Concordia Apartments, and a new lecture room.

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	5	1	6	12	—	5	1	6	12
Administrative Division	1	3	19	23	—	1	3	19	23
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	33.5	64.5	—	11	20	33.5	64.5
Effective manpower estimates ¹	11.0	19.4	30.8	61.2	+0.3	11.0	19.5	31.0	61.5
Economist and Summer Intern Programs	—	0.7	0.3	1.0	—	—	1.0	—	1.0
Consultants	—	—	—	—	+0.1	0.1	—	—	0.1
Temporary Assistance	—	1.0	5.7	6.7	+0.6	—	1.0	6.3	7.3
Overtime	—	—	1.2	1.2	-0.2	—	—	1.0	1.0
Total effective manpower	11.0	21.1	38.0	70.1	+0.8	11.1	21.5	38.3	70.9

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

SUMMARY OF FUNCTIONS

The main function of the Institute is to provide technical assistance, with the cooperation of other departments, by conducting courses for officials employed by financial agencies of member countries, particularly developing ones. The courses deal with the following areas: 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, and pricing policy. Other activities include a program of special seminars in member countries and collaboration with the training institutes of national and regional organizations.

IMF INSTITUTE

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Regular training program					
Courses/seminars	14	13	14	14	15
Applications received	998	1,100	1,220	1,429	1,500
Participants	423	412	446	424	481
Participant weeks	4,119	4,098	4,164	4,366	4,894
Teaching sessions by staff of IMF Institute ¹	739	764	839	974	1,356
Teaching sessions by others ²	310	326	286	359	391
External training program					
Seminars	2	3	3	4	5
Participant weeks	72	195	125	164	375

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.

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the Institute gave 13 courses (12 in 1985): 3 on Financial Analysis and Policy (1 in English, 1 in French and, for the first time, 1 in Arabic); 3 on Techniques of Economic Analysis (1 in Arabic, 1 in English, and 1 in French); 2 on Financial Programming and Policy (1 in English, 1 in Spanish); 2 on Public Finance (1 in English, 1 in Spanish), in cooperation with the Fiscal Affairs Department; 1 on Balance of Payments Methodology (in English), in cooperation with the Bureau of Statistics; 1 on Government Finance Statistics (in French), in cooperation with the Bureau of Statistics, and, for the first time, 1 on Money and Banking Statistics (in English), also in cooperation with the Bureau of Statistics. In addition, the Institute presented 2 seminars at headquarters (2 in 1985) and 5 seminars in member countries (4), as follows: 1 on Pricing Policy (in English), and 1 on the Role of the Fund in the International Monetary System (in English); and 5 external seminars on Analytical Methods and Country Policy

Issues, held, respectively, in Botswana, China, Ecuador, Indonesia, and Mozambique. Two of the seminars in member countries were attended by a larger number of officials than usual and one seminar exceeded the normal time frame. In total, 481 participants selected from 1,500 applicants attended the courses and seminars at headquarters (424 participants in 1985 from 1,429 applicants). A total of 206 (98) participants attended external seminars and courses organized by the Institute.

The scope of the training program in 1986 was similar to that in 1985, except for an additional Financial Analysis and Policy course conducted in Arabic. The collection of teaching materials for the Pricing Policy seminar was also completed. New and extensively updated workshop series were prepared for the Financial Analysis and Policy and the Financial Programming and Policy courses (in Arabic, English and Spanish).

WORK PROGRAM IN FINANCIAL YEAR 1988

In addition to the 2 courses which commenced in FY 1987, the Institute plans to offer 14 courses and 1 seminar at headquarters, and 5 seminars in member countries in FY 1988. Those at headquarters will include: 4 courses on Techniques of Economic Analysis (1 in Arabic, 1 in English, 1 in French, and 1 in Spanish); 4 courses on Financial Analysis and Policy (1 in Arabic, 1 in English, 1 in French, and 1 in Spanish); 1 course on Financial Programming and Policy (in English); 2 courses on Balance of Payments Methodology (1 in English; 1 in Spanish); 1

course on Public Finance (in English); 1 course on Money and Banking Statistics (in English); 1 course on Government Finance Statistics (in English); and 1 seminar on the Role of the Fund in the International Monetary System (in English). External training will encompass 5 seminars, ranging from one to two weeks.

No increase in the staff ceiling is proposed for FY 1988. Total manpower available is estimated to increase by 0.8 man-years to 70.9 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

LEGAL DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	1,632	1,679	1,695	+ 16	1.0
Other personnel expenses	1,116	1,181	1,064	- 117	- 9.9
Business travel	145	106	108	+ 2	1.9
Other travel	119	120	158	+ 38	31.7
Data processing	49	66	223	+ 157	237.9
Other administrative expenses	526	494	532	+ 38	7.7
Total	3,587	3,646	3,780	+ 134	3.7

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	10	9	15	34	—	8	11	15	34
Effective manpower estimates ¹	9.0	8.5	14.4	31.9	+ 1.1	8.0	10.4	14.6	33.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	0.5	2.2	2.7	+ 0.2	—	0.3	2.2	2.5
Overtime	—	—	0.2	0.2	+ 0.1	—	—	0.3	0.3
Total effective manpower	9.0	9.0	16.8	34.8	+ 1.0	8.0	10.7	17.1	35.8

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

SUMMARY OF FUNCTIONS

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

The Legal Department advises the management and staff, the Executive Board, and the Board of Governors of the Fund.

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

LEGAL DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986 ¹
Board Documents Prepared					
Of Which:					
Legal only	21
Jointly—other departments	40
Consulting capacity	214
Article IV reports reviewed ²	85
Written legal opinions	713
Laws drafted	12
Laws reviewed/revised	36

¹First year for which statistics were maintained.

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

WORK PROGRAM IN CALENDAR YEAR 1986

During 1986, the work load of the department increased, reflecting the diversity and pace of the Fund's activities. The department prepared 61 documents for Board consideration and 713 written legal opinions, of which 96 were for management and Executive Directors. In the field of general legal issues, papers and decisions were prepared on (i) burden sharing and charges; (ii) members' rights and obligations, including ineligibility, provisioning, and sales and use of currencies of members in arrears; (iii) implementation of the Structural Adjustment Facility (SAF), including the regulations for adminis-

tration; and (iv) the borrowing agreement with Japan. In addition, the department provided legal advice on administrative matters ranging from issues on contractual arrangements to proceedings of the Grievance Committee, and issued a Board paper on administrative tribunals.

The department continued to provide technical assistance on central banking and fiscal legislation; in this respect the department drafted 12 laws and reviewed and revised 36 laws for 16 countries. The number of technical assistance trips, excluding UNCITRAL and ECOSOC, increased to 13 in 1986, as compared to 7 in 1985.

WORK PROGRAM IN FINANCIAL YEAR 1988

The outlook for the year ahead is for an increased work load that will impose heavier demands on the members of the department. Among the major items that will require intensive attention are: (i) the continued adaptation of the Fund's structure on financial operations (provisioning, burden sharing), and of the Fund's rules and policies on the discharge of financial obligations (safeguard of the Fund's assets, sanctions and remedies for nonpayment); (ii) the use of Fund resources, including a review of the Compensatory Financing Facility (CFF), the Enlarged Access Policy, and the Structural Adjustment Facility, and a possible revision of the model form of arrangements; (iii) enhancement of the role of SDRs in the international monetary system and conditions for allocations; (iv) the

revision of existing policies on surveillance to incorporate a system of indicators, or target zones; (v) the ninth general review of quotas; and (vi) the possible establishment of an administrative tribunal. Country work will also increase because of the operation of the SAF and of the Fund's policies on arrears. In view of present and expected requests, technical assistance will continue at a high level, particularly in the field of fiscal legislation. Advice on administrative matters will also increase.

It is proposed to replace 2 senior positions with 2 counsellor positions. Total manpower available to the department is estimated to increase by 1.0 man-year to 35.8 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

MIDDLE EASTERN DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease --	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	2,562	2,728	2,760	+ 32	1.2
Other personnel expenses	1,796	1,977	1,766	- 211	- 10.7
Business travel	690	612	626	+ 14	2.3
Other travel	209	276	220	- 56	- 20.3
Data processing	365	131	72	- 59	- 45.0
Other administrative expenses	536	518	544	+ 26	5.0
Total	6,158	6,242	5,988	- 254	- 4.1

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	4	5	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	4	2	7	—	1	4	2	7
Division D	1	4	2	7	—	1	4	2	7
Total staff ceiling	11	20	13	44	—	11	19	14	44
Effective manpower estimates ¹	11.0	19.4	12.6	43.0	+0.3	11.0	18.6	13.7	43.3
Economist and Summer Intern Programs	—	2.0	0.8	2.8	-0.5	—	2.0	0.3	2.3
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	1.0	1.1	2.1	-0.2	—	0.5	1.4	1.9
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
Total effective manpower	11.0	22.4	14.6	48.0	-0.4	11.0	21.1	15.5	47.6

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 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.

MIDDLE EASTERN DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Member countries	18	18	18	18	18
Countries using Fund resources ¹	4	3	1	1	—
Consultation missions	13	13	14	13	15
of which, also concerned					
with use of Fund resources (UFR)	(3)	(3)	(—)	(2)	(3)
Staff trips on operations and					
relations with member countries ²	87	88	71	77	77
New programs approved ³	1	1	1	—	—
Programs continuing ⁴	1	1	—	—	—
Program months ⁵	22	23	2	—	—
Staff reports prepared ⁶	...	...	...	...	24
Article IV Consultations	(...)	(...)	(...)	(...)	(11)
Article IV Consultations and UFR	(...)	(...)	(...)	(...)	(1)
Recent Economic Developments	(...)	(...)	(...)	(...)	(12)
Use of Fund resources ⁷	(...)	(...)	(...)	(...)	(—)

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.

⁷Excluding special facilities (ICFF and BSFF).

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the department conducted 20 (27) missions. There were 15 (13) Article IV consultation missions, of which 3 (2) were also concerned with the use of Fund resources. In addition, there were 4 (11) missions conducted specifically to discuss the use of Fund resources. One (3) technical assistance mission and 20 (17) special missions and visits were also organized by the department, including discussions with one member country about a possible economic program that could be supported by use of Fund resources once arrears to the Fund have been cleared. Structural Adjustment Facility (SAF) related issues were covered during consultation discussions with 3 countries and policy discussions were held on

six occasions at headquarters with officials of those countries. The study on Islamic Banking, prepared jointly with the Research Department, was completed and presented to the Board, and the study on financial issues in the U.A.E. was completed. Studies on policy implications of foreign currency deposits and on the effects of the fall in oil prices on non-oil economies were initiated during the year.

With regard to the use of Fund resources, no (0) new stand-by arrangements came into effect and no (0) country made drawings under the credit tranches or special facilities (1).

WORK PROGRAM IN FINANCIAL YEAR 1988

The economic climate of the region, reflecting developments of and prospects for the prices of oil and related commodities, 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 stand-by arrangements will continue for Egypt, Pakistan and the Y.A.R., as well as discussions on SAF arrangements with Afghanistan, Y.A.R. and Pakistan. It is expected that a more intensive work period on Sudan will

resume. The level of consultation missions will increase, as well as requests for technical assistance and policy advice from member countries and international and regional organizations.

It is proposed to add 1 secretarial position which will be offset by the abolition of 1 editorial officer position. Total manpower available to the department is estimated to decrease marginally by 0.4 man-years to 47.6 man-years. The department will continue to utilize 2 Resident Representative positions during the coming year.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

RESEARCH DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,838	4,592	4,766	+ 174	3.8
Other personnel expenses	2,849	2,989	2,767	- 222	- 7.4
Business travel	351	268	274	+ 6	2.2
Other travel	540	599	504	- 95	-15.9
Data processing	1,651	1,724	814	- 910	-52.8
Other administrative expenses	844	610	585	- 25	- 4.1
Total	11,073	10,782	9,710	- 1,072	- 9.9

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	7	4	7	18	+1	8	4	7	19
Commodities Division	1	12	5	18	—	1	12	5	18
Current Studies Division	1	10	3	14	—	1	10	3	14
Developing Country Studies Division	1	7	3	11	+1.5	1	8	3.5	12.5
External Adjustment Division	1	9	2	12	+0.5	1	9	2.5	12.5
Financial Studies Division	1	7	3	11	—	1	7	3	11
Total staff ceiling	12	49	23	84	+3	13	50	24	87
Effective manpower estimates ¹	11.7	46.0	20.0	77.7	+3.7	12.8	47.4	21.2	81.4
Economist and Summer Intern Programs	—	3.9	0.9	4.8	-0.3	—	4.0	0.5	4.5
Consultants	4.4	—	—	4.4	-0.9	3.5	—	—	3.5
Temporary Assistance	—	—	3.0	3.0	+2.8	—	1.5	4.3	5.8
Overtime	—	—	0.4	0.4	+0.1	—	—	0.5	0.5
Total effective manpower	16.1	49.9	24.3	90.3	+5.4	16.3	52.9	26.5	95.7

¹The differences between staff ceiling 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 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; and the administration of the Compensatory and Buffer Stock Financing Facilities and background research for policy formulation in this area.

RESEARCH DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Policy papers	15	22	21	41	40
Operational papers on special facilities	55	44	15	12	9
Departmental memoranda	25	26	25	30	38
Articles in <i>Staff Papers</i>	8	10	9	16	16
Participation in country missions	15	12	23	24	16
Participation in official meetings	28	23	17	18	15
Participation in other conferences (staff members)	22	22	28	47	89

WORK PROGRAM IN CALENDAR YEAR 1986

The work program can be described under five headings: (i) analysis of world economic conditions and prospects; (ii) functioning of the international monetary system and the role of the SDR; (iii) the design of Fund programs; (iv) commodity research and operation of special facilities; and (v) other policy-related research.

In March and September, analyses of developments and prospects of the world economy were presented to the Executive Board and published in the series of *World Economic and Financial Surveys*. The final report of the working group on the statistical discrepancy in recorded global current account payments was completed and its recommendations reviewed for possible implementation in FY 1988.

A number of studies and reports (16) were prepared on issues relating to the functioning of the international monetary system, Fund surveillance, and the role of the SDR in the provision of international liquidity. Particular

topics stressed were the exchange rate system, the review of the Fund's surveillance activities, the use of indicators, and the role of the SDR. In addition, a major study on theoretical aspects of the design of Fund-supported adjustment programs was completed.

Work related to commodity prices and the operation of the special facilities included studies and surveys on recent developments in commodity prices and on buffer stock agreements for rubber and tin. Work on drawings under the special facilities continued to decline with 9 country papers prepared in 1986 (12 in 1985).

Other research work concentrated on exchange rate topics, balance of payments adjustment, monetary policy and inflation, external adjustment in centrally planned economies, and on Islamic banking. Staff members participated in 16 country missions (27 in 1985) and 1 recruiting mission (2), as well as 104 meetings of international organizations, conferences, and seminars (65).

WORK PROGRAM IN FINANCIAL YEAR 1988

A major re-examination of the conceptual, analytical, and empirical issues underlying the design of economic adjustment programs is planned as a major focal point for the department's work in FY 1988. It will include reviews, undertaken in collaboration with area departments and other functional departments, of the Fund's experience with various programs. Another area of work will focus on the use of indicators in surveillance and the coordination of economic policies of member countries. Work in this area will include research aimed at improving the understanding of relationships between various indicators and the transmission of economic influences between countries. Work

on refining and improving the World Economic Outlook exercise, the functioning of the international monetary system and the role of the SDR will continue. A comprehensive review of the Compensatory Financing Facility (CFF) will also be continued in FY 1988.

It is proposed to add one senior position, 1 economist position and 1 secretarial position to assist in the department's research program. Total manpower available to the department is estimated to increase by 5.4 man-years to 95.7 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

SECRETARY'S DEPARTMENT

Estimated Expenses

Type of Expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,052	4,209	4,385	+176	4.2
Other personnel expenses	2,811	3,001	2,744	-257	- 8.6
Business travel	352	134	148	+ 14	10.4
Other travel	231	226	235	+ 9	4.0
Data processing	1,797	1,557	643	-914	-58.7
Other administrative expenses	1,612	1,347	1,467	+120	8.9
Total	10,885	10,474	9,622	-852	- 8.1

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	2	4	10	+1	4	2	5	11
Executive Board Services Unit	—	2	4	6	—	—	2	4	6
Documents Preparation Unit	—	1	9	10	—	—	1	9	10
Historian	1	—	1	2	-2	—	—	—	—
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	8	16	25
Total staff ceiling	9	27	64	100	-1	8	27	64	99
Effective manpower estimates ¹	8.4	25.6	62.3	96.3	-0.3	7.5	26.0	62.5	96.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	0.7	—	—	0.7	+1.4	2.1	—	—	2.1
Temporary Assistance	—	2.2	9.7	11.9	+1.9	—	4.0	9.8	13.8
Overtime	—	—	6.5	6.5	-0.8	—	—	5.7	5.7
Total effective manpower	9.1	27.8	78.5	115.4	+2.2	9.6	30.0	78.0	117.6

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 and 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 1988 BUDGET BY UNIT OF ORGANIZATION

SECRETARY'S DEPARTMENT**Selected Work Load Indicators**

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Meetings serviced ¹	232	226	225	232	263
(hours)	(562)	(556)	(523)	(569)	(660)
Minutes processed	...	228	226	239	268
(pages in thousands)	(...)	(6.3)	(5.8)	(7.2)	(7.8)
Cables processed (thousands)	110.6	132.2	145.2	151.4	159.4
Incoming and outgoing mail (millions)	2.0	2.2	2.3	1.7	1.5
Facsimile processed (thousands)	7.0	12.1	17.2	40.1	55.7
Documents processed (thousands)	4.0	4.3	4.0	4.3	4.8
Documents service requests (thousands)	821.6	924.0	931.8	966.2	1,009.2

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

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the efforts of the department were directed to supporting the sustained activities of the policy-making bodies of the Fund. 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, were the principal focus of the Immediate Office. Efforts continued to be

put into maintaining the support given to the increasing work load of the Fund as a whole, including the preparation and distribution of documents, the assistance of Central Files and records services, the handling of correspondence, cables, and facsimile, the preparation of records of meetings, several EDP projects, strengthening security, and providing services for Executive Directors. Collaboration with the World Bank increased and the department 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 1988

The high level of activity of the policy-making bodies of the Fund, already sustained for several years, is expected to continue in FY 1988. The department will strive to maintain the quality of its support for those bodies. The department will continue to advance in several EDP projects in the communications and documents storage and retrieval fields. In addition, the high priority

given to efforts in the area of information and data security will continue.

It is planned to eliminate a vacant senior position in FY 1988. Total manpower available to the department is estimated to increase by 2.2 man-years to 117.6 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

TREASURER'S DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	5,423	5,730	5,886	+ 156	2.7
Other personnel expenses	3,866	4,108	3,841	- 267	-6.5
Business travel	321	141	144	+ 3	2.1
Other travel	482	484	532	+ 48	9.9
Data processing	4,014	3,470	3,339	- 131	-3.8
Other administrative expenses	5,103	1,848	1,909	+ 61	3.3
Total	19,209	15,781	15,651	- 130	-0.8

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	6	1	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	8	6	15
Operations Division for General Resources	1	12	6	19	+1	1	14	5	20
Operations Division for SDRs and Administered Accounts	1	8	4	13	—	1	8	4	13
Special Operations and SDA Division	1	5	2	8	+1	1	5	3	9
Total staff ceiling	12	65	54	131	+2	11	68	54	133
Effective manpower estimates ¹	11.5	58.9	49.4	119.8	+3.2	11.0	62.2	49.8	123.0
Economist and Summer Intern Programs	—	1.0	0.8	1.8	-0.5	—	1.0	0.3	1.3
Consultants	0.1	—	—	0.1	+0.5	0.6	—	—	0.6
Temporary Assistance	—	0.9	11.5	12.4	-2.1	—	0.1	10.2	10.3
Overtime	—	—	0.6	0.6	+0.1	—	—	0.7	0.7
Total effective manpower	11.6	60.8	62.3	134.7	+1.2	11.6	63.3	61.0	135.9

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 and manage 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 interest rates and similar matters. 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 1988 BUDGET BY UNIT OF ORGANIZATION

TREASURER'S DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Papers requiring Board consideration	95	84	87	102	126
Information papers and periodic reports	147	173	163	186	122
Operational transfers and other communications: ¹					
General Resource Account	11,650	15,230	11,176	13,170	16,440
SDR Account	5,652	5,800	3,100	3,500	4,000
Administered Accounts	458	1,200	1,000	1,250	950
Members with overdue obligations	...	46	46	53	64
Newly overdue obligations	...	234	545	700	1,007
Administrative matters (transactions, vouchers, and authorizations) ²	41,585	42,980	46,703	49,995	69,180
Accounting—processing and audit items	44,042	42,239	42,600	47,478	58,100

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.

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the operational and accounting work load of the department increased in terms of volume and complexity, and work in the policy area remained at a high level throughout the year. The sharpest increases in work load occurred in the area of late payments, as the number of countries in arrears increased from 53 in CY 1985 to 64 in CY 1986; financial operations (up 17 percent in volume), especially repurchases and repayment of Fund borrowing; operations related to the Trust Fund (up 12 percent); and the start-up operations of the Special Disbursement Account. In the policy area, the volume of papers requiring Board consideration rose from 102 in CY 1985 to 126 in CY 1986, nearly one third of which related to late payments and the Fund's policies for handling late pay-

ments. There were continuing reviews of the Fund's financial position, including the issues of charges, remuneration and burden sharing; the management of the Fund's liquidity, which, inter alia, resulted in a new major borrowing agreement with Japan and a change in the mix of ordinary and borrowed resources to be used in financial purchases under the Enlarged Access Policy; and the policies affecting the role of the SDR in the international monetary system.

Considerable attention was devoted to the design and development of the new integrated financial information systems and to administrative matters, especially with respect to the job grading exercise and subsequent reviews.

WORK PROGRAM IN FINANCIAL YEAR 1988

The work program planned for FY 1988 will focus on (i) overdue financial obligations, including preventive action, the assessment of members' capacity to repay and prolonged use of the Fund's resources; (ii) reviews of the Fund's financial position, including the management of overdue obligations on the Fund's financial position, the implementation and review of the decision on "burden sharing", and further analyses of the issue of provisioning; (iii) the Ninth General Review of Quotas; (iv) a review of the Fund's liquidity and borrowing needs, including a review of the General Arrangements to Borrow; (v) a review of the policies on the investment of resources in the Borrowed Resources Suspense Account and the Supplementary Financing Facility Subsidy Account; and (vi) analyses on the role of the SDR in the international

monetary system, including usability and liquidity of the SDR.

The volume of administrative payments and financial operations and transactions is expected to increase by approximately 20 percent, reflecting mainly an increase in repurchase transactions and the use of resources in the Special Disbursement Account for the Structural Adjustment Facility (SAF). Emphasis will continue to be placed on rapid automation of the Fund's financial operations.

It is proposed to add 1 operations officer and 1 economist position to meet the expected need for operational support in the area of the Fund's financial operations and transactions. Total manpower available to the department is estimated to increase by 1.2 man-years to 135.9 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

WESTERN HEMISPHERE DEPARTMENT

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	5,959	6,150	6,298	+ 148	2.4
Other personnel expenses	4,621	4,723	4,291	- 432	- 9.1
Business travel	1,329	978	1,000	+ 22	2.2
Other travel	603	601	591	- 10	- 1.7
Data processing	749	235	250	+ 15	6.4
Other administrative expenses	1,248	1,154	1,203	+ 49	4.2
Total	14,509	13,841	13,633	- 208	- 1.5

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	9	2	12	23	—	9	2	12	23
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	7	2	10
Maritime Division	1	6	2	9	—	1	6	2	9
Mexico/Latin Caribbean Division	1	4	2	7	—	1	4	2	7
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	—	18	55	33	106
Effective manpower estimates ¹	18.0	52.8	27.9	98.7	+1.5	18.0	53.2	29.0	100.2
Economist and Summer Intern Programs	—	8.8	0.5	9.3	—	—	9.0	0.3	9.3
Consultants	0.1	—	—	0.1	+0.1	0.2	—	—	0.2
Temporary Assistance	—	1.8	3.3	5.1	-0.4	—	—	4.7	4.7
Overtime	—	—	0.9	0.9	+0.1	—	—	1.0	1.0
Total effective manpower	18.1	63.4	32.6	114.1	+1.3	18.2	62.2	35.0	115.4

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 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 financial advice. The department also maintains contact with regional organizations in the area.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

WESTERN HEMISPHERE DEPARTMENT

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Member countries	33	33	34	34	34
of which, G-7 countries	(2)	(2)	(2)	(2)	(2)
Countries using Fund resources ¹	16	20	12	10	12
Consultation missions	23	31	32	34	30
of which, also concerned with use of Fund resources (UFR)	(13)	(16)	(15)	(15)	(10)
Staff trips on operations and relations with member countries ²	223	242	233	268	245
New programs approved ³	8	10	5	7	3
Programs continuing ⁴	3	8	10	9	10
Program months ⁵	100	178	138	137	105
SAF programs approved	—	—	—	—	3
Staff reports prepared ⁶	...	...	...	...	61
Article IV Consultations	(...)	(...)	(...)	(...)	(19)
Article IV Consultations and UFR	(...)	(...)	(...)	(...)	(8)
Recent Economic Developments	(...)	(...)	(...)	(...)	(27)
Use of Fund resources ⁷	(...)	(...)	(...)	(...)	(7)

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.

⁷Excluding special facilities (CFF and BSFF).

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the number of missions declined, reflecting the increasing frequency of discussions with country officials at headquarters and lower participation in World Bank missions. The department conducted 62 missions (80 in 1985). Thirty (34) of these were Article IV consultations, of which 10 (15) also dealt with the use of Fund resources. There were also 31 (37) missions relating solely to the use of Fund resources. In addition, the staff participated in 30 (40) visits to New York, Paris and other places to meet with creditors and discuss additional financing in conjunction with Fund-supported programs or

external debt rescheduling arrangements.

There were 10 (11) countries with stand-by arrangements, 2 (3) with EFF arrangements and 3 (0) with SAF arrangements that became effective or were continued in 1986. In addition, the Fund continued the monitoring arrangement for Colombia and enhanced surveillance for Venezuela. Ten (10) countries made drawings under stand-by and extended arrangements, and 4 (4) countries made drawings under the Fund's special facilities, including the SAF.

WORK PROGRAM IN FINANCIAL YEAR 1988

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 has been the experience in recent years, a high proportion of the member countries of WHD are either under a financial or a special arrangement with the Fund or at various stages of discussions concerning possible arrangements with the Fund. For certain countries not requiring Fund financial assistance but unable to conclude financing arrangements with commercial banks without Fund involvement, the Fund will continue to monitor their performance under "enhanced" Article IV

consultations. Given the heavy debt burdens of member 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 in the implementation of the Baker initiative and the SAF is also expected to increase.

No increase in the staff ceiling is proposed. Total manpower available to the department is estimated to increase by 1.3 man-years to 115.4 man-years. The department will utilize 7 Resident Representative and Advisor positions in the coming year.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF COMPUTING SERVICES

Estimated Expenses

Type of Expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 ¹ Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	6,033	7,153	7,366	+ 213	3.0
Other personnel expenses	2,588	2,701	2,445	- 256	- 9.5
Business travel	176	90	92	+ 2	2.2
Other travel	340	350	373	+ 23	6.6
Data processing ¹	1,389	3,642	7,073	+ 3,431	94.2
Other administrative expenses	993	952	1,016	+ 64	6.7
Total	11,519	14,888	18,365	+ 3,477	23.4

¹Effective 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 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	4	2	4	10	+3	4	4	5	13
Computer Facilities and Operations Division	1	9	4	14	+2	1	10	5	16
Systems Development A Division	1	14	2	17	+4	1	10	2	13
Systems Development B Division	1	9	2	12	+1	1	8	2	11
User Support Division	1	12	5	18	+2	1	4	5	20
Total staff ceiling	8	46	17	71	+2	8	46	19	73
Effective manpower estimates ¹	8.0	45.9	17.0	70.9	+2.1	8.0	46.0	19.0	73.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Contractual EDP Assistance	—	53.0	27.0	80.0	+1.5	—	55.0	26.5	81.5
Temporary Assistance	0.5	—	5.4	5.9	+3.1	1.0	—	1.8	2.8
Overtime	—	—	0.9	0.9	+0.5	—	—	0.4	0.4
Total effective manpower	8.5	98.9	50.3	157.7	—	9.0	101.0	47.7	157.7

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

SUMMARY OF FUNCTIONS

The bureau provides the data processing services for the Fund. This requires conducting feasibility studies, system analyses, program design, documentation of automated systems, maintenance of existing systems, operation of large computer facilities, instructing staff in the use

of computers, and various support and control functions. The bureau is given policy direction by the Executive Committee on Computing Services (ECCS), chaired by the Deputy Managing Director and includes several senior staff members drawn from various departments.

BUREAU OF COMPUTING SERVICES

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Capacity of mainframe computers (MIPS) ¹	11.2	17.2	16.8	57.1	57.1
Number of minicomputers	1	3	6	9	10
Number of workstations connected to mainframes and minicomputers	100	250	500	800	800
Number of terminals	100	220	350	660	780
Number of microcomputers	15	80	200	570	790
Number of word processors	110	200	275	440	490
Number of installations-repair calls	...	...	2,312	3,867	4,684
Number of software consultations	...	...	...	3,800	8,500

¹Millions of instructions per second.

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, two large systems were placed into operation: the Bureau of Statistics' Economic Information System (EIS) and the Fund-wide Document Storage and Retrieval System. Three other major systems, the Administration Department's budget and procurement systems and the Secretary's Department's cable system, were in the final stages of development. Within the Treasurer's Integrated Financial System (TIFS), the Rates Maintenance component was completed and the Repurchase Repayment Facility component has been contracted for completion by the end of CY 1987. The installation of new word processing equipment linked to microcomputers was completed in four departments, bringing the total to nine. A pilot microcomputer-based word processing system is being tested in CBD and will provide information necessary to plan and implement a program for replacing obsolete word processing equipment. Under the aegis of the Data Management Policy Committee, created to encourage standardization of procedures for economic data documentation and maintenance, significant work was completed in the economist workstation project, including the first live tests using microcomputers to assist AFR economists in their work.

A new procedure was adopted for transferring applications from the development phase to the production phase, including the establishment of general transfer procedures and the creation of a technical support unit to handle all transfers. The installation of the basic data communication infrastructure enabled the connection of various electronic data devices in the Fund. Production also continued on TRE's financial calculations and reports, ADM's personnel records maintenance, the Fund's statistical publications, and the data bases for international banking statistics and external debt. Significant resources were committed to support the increasing users of microcomputers and word processors.

Other activities included preparatory work for the relocation of the IBM mainframe to headquarters and the renovation of the computer center, the selection and implementation of a new facilities management group to operate the Poughkeepsie mainframe computer, the standardization of internal management controls, and other strategic planning matters.

WORK PROGRAM IN FINANCIAL YEAR 1988

The development program will require about one third of the bureau's resources in FY 1988. However, it is planned not to initiate any major new development projects. The top priority will be to continue with existing development programs, including the replacement of word processors, the Treasurer's Integrated Financial System, the data communication links within the Fund, economist applications, and the automation for the Offices of the Executive Directors.

For production activities, additional technical support personnel will be required to operate and maintain newly operational systems. Since the production activities re-

quire two thirds of the bureau's resources, careful scrutiny of these activities will be made to identify potential cost-containment measures. As an example, to lower operating costs, the IBM computer will be moved to headquarters from a remotely located contractor facility. However, in certain areas, reductions in resources availability may cause occasional reduction in service levels.

It is proposed to add two secretarial positions to support the Immediate Office and the Computer Facilities and Operations Division. The total manpower available, excluding services obtained from companies, is estimated to remain at 157.7 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF LANGUAGE SERVICES

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	4,094	4,305	4,320	+ 15	0.3
Other personnel expenses	2,775	2,958	2,667	- 291	- 9.8
Business travel	232	131	134	+ 3	2.3
Other travel	589	596	659	+ 63	10.6
Data processing	150	239	144	- 95	- 39.7
Other administrative expenses	1,249	1,224	1,269	+ 45	3.7
Total	9,089	9,453	9,193	- 260	- 2.8

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Immediate Office	2	4.5	9	15.5	-3	1	3.5	8	12.5
Interpretation Section	—	9	1	10		—	9	1	10
Technical Documentation, Reference and Terminology Section	—	3	4	7	—	—	3	4	7
English Division	1	8.5	6	15.5	—	1	8.5	6	15.5
French Division	1	18	14	33	—	1	18	14	33
Spanish Division	1	11	7	19	—	1	11	7	19
Total staff ceiling	5	54	41	100	-3	4	53	40	97
Effective manpower estimates ¹	5.0	45.8	36.6	87.4	+0.6	4.0	48.0	36.0	88.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	10.1	9.6	19.7	+0.9	—	10.0	10.6	20.6
Overtime	—	—	1.9	1.9	—	—	—	1.9	1.9
Total effective manpower	5.0	55.9	48.1	109.0	+1.5	4.0	58.0	48.5	110.5

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

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

BUREAU OF LANGUAGE SERVICES

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Translation (thousand words)					
Requests received	9,139	9,996	10,815	10,808	11,162
Output by type of contract	9,144	9,695	10,233	10,907	10,016
Regular staff	(7,076)	(7,080)	(6,252)	(6,447)	(6,262)
Temporary in-house	(832)	(1,263)	(2,420)	(2,875)	(2,285)
Outside	(1,236)	(1,352)	(1,561)	(1,585)	(1,469)
Completed but not dispatched at year-end	...	194	727	1,335	1,471
Interpretation (mandays)					
By BLS staff	642.5	689.5	699.5	581	610
By other	76.0	57.0	55.0	82	37

WORK PROGRAM IN CALENDAR YEAR 1986

Of the 10.02 million words translated in 1986 (10.91 million in 1985), 3.69 million (4.65 million) words were translated into French, 2.23 million (2.55 million) words into English, 2.03 million (2.19 million) words into Spanish, 0.87 million (0.83 million) words into Arabic, 0.54 million (0.23 million) words into Portuguese, 0.53 million (0.30 million) words into Chinese, and 0.13 million (0.15 million) words into German. In terms of output by type of contract, the ratio of translation by regular staff, temporary in-house contractual staff, and outside contractors as percentages of the total output remained roughly the same as the previous year.

Interpretation assignments in 1986 showed a decline of 2.4 percent compared with 1985. A major factor was the

reduction in interpretation into French for the IMF Institute. On the other hand, interpretation into Arabic for the Institute rose by well over 200 percent. A total of 647 (663 in 1985) man-days of interpretation were provided, of which 309.5 (344.5) man-days were for the IMF Institute, 224.5 (217.5) man-days were for the Annual Meetings, the Interim and Development Committees, and various other Fund-related meetings, and 113 (101) man-days were for meetings sponsored by the World Bank and other international organizations on a loan and reimbursement basis. Most of the interpretation was done by the bureau's staff, but 37 (82) man-days were provided by World Bank staff and other outside interpreters.

WORK PROGRAM IN FINANCIAL YEAR 1988

It is expected that requests for translation will remain at a high level in FY 1988. Output is expected to increase as efforts will be made to reduce the translation backlog. The interpretation work load is estimated to rise slightly in FY 1988, mainly reflecting increased interpretation requirements of the IMF Institute. Interpretation needs will continue to be met mainly by the bureau's staff, but there

will again be a need to use World Bank and outside interpreters.

It is proposed to reduce the staff ceiling by eliminating 3 vacant positions and to offset this reduction by providing additional temporary assistance, including contractual help for special projects. Total manpower available to the bureau is estimated to increase by 1.5 man-years to 110.5 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

BUREAU OF STATISTICS

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	5,536	5,715	5,776	+ 61	1.1
Other personnel expenses	3,784	4,046	3,657	- 389	- 9.6
Business travel	626	517	529	+ 12	2.3
Other travel	474	515	616	+ 101	19.6
Data processing	5,309	2,826	1,543	- 1,283	-45.4
Other administrative expenses	2,035	2,224	2,267	+ 43	1.9
Total	17,764	15,843	14,388	- 1,455	- 9.2

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	61.8	39.5	111.3	+0.7	10.0	62.0	40.0	112.0
Economist and Summer Intern Programs	—	2.0	0.5	2.5	-0.5	—	2.0	—	2.0
Consultants	0.8	—	—	0.8	-0.2	0.6	—	—	0.6
Temporary Assistance	—	0.2	4.8	5.0	-0.4	—	—	4.6	4.6
Overtime	—	—	0.9	0.9	+ .1	—	—	1.0	1.0
Total effective manpower	10.8	64.0	45.7	120.5	-0.3	10.6	64.0	45.9	120.2

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, and the OECD in the field of economic statistics.

BUREAU OF STATISTICS

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Number of time series maintained (in thousands)	432	550	630	880	900
Number of countries with an IFS page	128	132	134	137	137
Number of countries and entities for which data are maintained	185	185	185	187	189
Number of statistical volumes published (issues)	43	44	43	43	43
Countries assisted ¹	63	52	60	64	57
Mission travel (overseas trips) ²	78	82	80	96	83

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

²A9-B5 staff trips only.

WORK PROGRAM IN CALENDAR YEAR 1986

In October 1986, the Economic Information System (EIS) became fully operational, with attendant improvements in the currentness and quality of the data base. The number of banking centers reporting to the Fund under the International Banking Statistics (IBS) project remained at 32. Work on external debt statistics concentrated on reviewing debt data available in the World Bank's Debtor Reporting System and the Fund's balance of payments, money and banking, and government finance files, reflecting efforts to develop computerized systems of creditor/debtor classifications. The bureau continued to provide assistance to the Working Party on the Discrepancy in World Balance of Payments Accounts and the Technical Sub-Group in the implementation of their work programs.

A major focus of the bureau's activities was the revision of the United Nations' *A System of National Accounts (SNA)*. In this connection several technical papers for the meeting of Experts on External Sector Accounts were completed.

The demand for Fund technical assistance in statistics continued at the level of the previous year; but, the bureau could accommodate only 69 (88) visits to member countries. Attention was again concentrated on improving the statistical base in countries using Fund resources. In collaboration with the INS, bureau staff conducted the inaugural course on Money and Banking Statistics (English), as well as 1 (2) course on Balance of Payments Methodology (French) and 1 (1) course on Government Finance Statistics (French). They also assisted regional organizations in 2 (2) training courses on statistics and conducted 1 (2) course for Fund staff on Fund statistics. In addition to the regular statistical publications, two *Supplements to IFS* on government finance statistics and price statistics were issued and a revised version of *A Manual on Government Finance Statistics* was published. At the end of 1986, there were about 500 (485) tape subscriptions to the Fund's statistical publications.

WORK PROGRAM IN FINANCIAL YEAR 1988

In FY 1988, emphasis will continue to be placed on improvements in the currentness, coverage, and quality of country data. The work program will concentrate on opportunities provided by the technological advances of the EIS including enhanced data integration and data sharing with other Fund departments, as well as the continued development in the economist applications area.

The bureau will begin to implement the recommendations in the report of the Working Party on the Discrepancy in Global Current Account Balances. The bureau will also continue its collaboration on statistical issues with the World Bank and other international agencies. Attention will again be focused on the revision of the *SNA*, including the Fund-sponsored meeting of experts on government sector accounts in early 1988.

Following a reduction in the number of technical assistance missions in CY 1986, it is expected that the number of missions will increase marginally. Publications planned for FY 1988, in addition to regular publications, will include two *Supplements to IFS*, a *Guide to Real Sector Statistics* and a *Guide to IFS*. The bureau will conduct, in collaboration with the INS, one course on Money and Banking Statistics (English), two courses on Balance of Payments Methodology (Spanish and English), and one course on Government Finance Statistics (English).

No increase in the staff ceiling is proposed. Total manpower available to the bureau is estimated to decrease marginally by 0.3 man-years to 120.2 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN EUROPE

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
(Value figures in thousands of U.S. dollars)					
Salaries	720	970	977	+ 7	0.7
Other personnel expenses	508	654	568	- 86	- 13.1
Business travel	87	47	48	+ 1	2.1
Other travel	44	44	47	+ 3	6.8
Data processing	3	4	5	+ 1	25.0
Other administrative expenses	427	471	512	+41	8.7
Total	1,789	2,190	2,157	- 33	- 1.5

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	3	4	8	15	—	3	4	8	15
Effective manpower estimates ¹	3.0	4.0	8.0	15.0	—	3.0	4.0	8.0	15.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	0.5	0.5	—	—	0.1	0.4	0.5
Overtime	—	—	0.1	0.1	—	—	—	0.1	0.1
Total effective manpower	3.0	4.0	8.6	15.6	—	3.0	4.1	8.5	15.6

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, the Group of Ten, and World Bank consortia; 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.

OFFICE IN EUROPE

Selected Work Load Indicators

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Meetings attended	193	200	193	196	180
Missions assisted	42	34	42	34	38
Headquarters staff assisted	1,020	970	1,020	1,090	965

WORK PROGRAM IN CALENDAR YEAR 1986

Relations with the OECD, EC, and BIS continued to take up the bulk of the professional staff's time. The Group of Ten, for which one staff member continued to act as Secretary, continued to be very active during a large part of the year. Staff participation in debt rescheduling exercises handled by the Paris Club also absorbed a substantial amount of manpower as the schedule of meetings remained intense.

The office was also involved in the preparation, mission meetings, and follow up of headquarters' work on capital markets, official export credits, trade policy, and aid flows. It participated in mission meetings and expanded its contacts with bankers, EC, and OECD staff involved in these issues. The office represented the Fund at the presentation of a member country's economic program to the banking community in a number of financial centers. The office was also called upon to host a number of meetings between headquarters' staff and country officials on a variety of issues.

In the field of information, the substance and frequency of press queries grew, reflecting the increased interest in the activities of the Fund. This strong interest by the public also resulted in an increase in the number of visitors to the office's documentation center. Requests for lecturing by the staff continued, but the level of staffing in the office required a more selective approach in this area.

Administrative support to headquarters continued to claim a large part of the staff's time. The office provided secretarial support and 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. The volume of applications for Fund employment processed directly by the office continued at a high level, and the office staff participated in several recruitment missions.

WORK PROGRAM IN FINANCIAL YEAR 1988

The work load in FY 1988 is expected to remain intense. Attention to debt problems, aid flows, trade issues, and financial market developments will likely absorb the bulk of the staff's time and, in this context, the office's contacts with representative bankers, and OECD, EC and BIS officials will increase. At the same time, the Group of Ten activities are expected to continue at the level of FY 1987. To make room for the expected increase

in priority work, the office will have to be increasingly selective in responding to lecture invitations, participating in OECD meetings, and covering other traditional areas of activity. Administrative support to headquarters will remain at a high level.

No increase in the staff ceiling is proposed for FY 1988. Total manpower available to the office is estimated to remain at 15.6 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN GENEVA

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	363	525	508	- 17	- 3.2
Other personnel expenses	242	335	274	- 61	- 18.2
Business travel	29	12	12	—	—
Other travel	19	19	20	+ 1	5.3
Data processing	13	2	2	—	—
Other administrative expenses	88	84	93	+ 9	10.7
Total	754	977	909	- 68	- 7.0

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	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	2.0	1.0	2.9	5.9	+0.1	2.0	1.0	3.0	6.0
Economist and Summer Intern Programs	—	—	—	—	—	—	—	—	—
Consultants	—	—	—	—	—	—	—	—	—
Temporary Assistance	—	—	0.2	0.2	—	—	—	0.2	0.2
Overtime	—	—	—	—	+0.1	—	—	0.1	0.1
Total effective manpower	2.0	1.0	3.1	6.1	+0.2	2.0	1.0	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 and other international forums; 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 1988 BUDGET BY UNIT OF ORGANIZATION

OFFICE IN GENEVA**Selected Work Load Indicators**

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Attendance at conferences and international meetings	104	90	96	128	123
Number of reports prepared	73	66	68	89	125

WORK PROGRAM IN CALENDAR YEAR 1986

In 1986, the work load of the office continued to be heavy. The staff attended 123 (128 in 1985) conferences and meetings of other international organizations and prepared 125 (89) reports. Work on the GATT was particularly demanding as extensive discussions were held in various GATT bodies to implement the Ministerial Work Program and to prepare for the initiation of a new round of multilateral trade negotiations. Work in UNCTAD continued to be substantial as there were numerous

meetings on issues of interest to the Fund and the preparatory work on UNCTAD VII was initiated. Covering meetings of the ILO, the ECE, and the UNDP Round Tables on African countries was necessary, as well as representing the Fund at several seminars and meetings. The office handled about 550 (500) requests for information and contributed 4 (6) lectures at training courses offered by the GATT and other organizations.

WORK PROGRAM IN FINANCIAL YEAR 1988

The work program for FY 1988 will be more demanding than that of the current financial year. GATT activities are expected to expand substantially with the initiation of a new round of multilateral trade negotiations. The staff will cover the various bodies established for the Uruguay Round, including its Trade Negotiating Committee, Group of Negotiations on Goods, Group of Negotiations on Services, and the Surveillance Body. The ongoing preparatory work for UNCTAD VII, as well as the subsequent conference, will have to be followed closely because

of the direct bearing on the Fund's operational responsibilities. In addition, the work in the ILO will require more time as that organization plans to organize two meetings in 1987 on the impact of adjustment policies on employment and poverty alleviation. Attendance at the UNDP round tables on African countries will also require substantial resources.

No increase in the staff ceiling is proposed for FY 1988. Total manpower available is estimated to increase marginally by 0.2 man-years to 6.3 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

OFFICE OF THE INTERNAL AUDITOR

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	459	495	522	+ 27	5.5
Other personnel expenses	288	303	294	- 9	- 3.0
Business travel	6	5	5	—	—
Other travel	60	64	84	+ 20	31.3
Data processing	171	150	116	- 34	- 22.7
Other administrative expenses	237	267	272	+ 5	1.9
Total	1,221	1,284	1,293	+ 9	0.7

Personnel Ceilings (man-years)

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	1	6	1	8	+ 1	1	7	1	9
Effective manpower estimates ¹	1.0	6.0	1.0	8.0	+ 1.0	1.0	7.0	1.0	9.0
Temporary Assistance	0.1	1.0	1.3	2.4	- 0.6	0.2	—	1.6	1.8
Total effective manpower	1.1	7.0	2.3	10.4	+ 0.4	1.2	7.0	2.6	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 1988 BUDGET BY UNIT OF ORGANIZATION

OFFICE OF THE INTERNAL AUDITOR**Selected Work Load Indicators**

Indicator	Calendar Years				
	1982	1983	1984	1985	1986
Audit reports	20	22	23	29	33

WORK PROGRAM IN CALENDAR YEAR 1986

The work program of the Office of the Internal Auditor for 1986 has been comprehensive. Reviews of systems and procedures were undertaken or continued in connection with a number of different activities of the Fund. Audits on the Fund's financial systems were continued, and activities with respect to administrative audits and EDP systems development reviews were expanded. A total of 33 audit reports were prepared in 1986 compared to 29 in 1985. The staff of the office continued to collaborate with the External Audit Committee, which is essential to ensure the successful conduct and completion of the external audit of the Fund. Following the departure of the 1986 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. Requests by the External Audit Committee for assistance have added to the work load of the office. In 1986 the Committee recommended that the office commence audits of EDP activities, and an audit of EDP contracting will be completed early in the next calendar year. It is the first of several audits of EDP activities planned for the coming years.

WORK PROGRAM IN FINANCIAL YEAR 1988

The work program of the Office of the Internal Auditor is expected to show some expansion stemming from suggestions made by the External Audit Committee. Emphasis will be placed on administrative audits, and staff resources will be gradually shifted from financial audits. Approximately one third of the staff resources will be devoted to administrative audits and systems development reviews. Coverage in the financial area will continue to be more than adequate by making effective and increasing use of automated systems.

Major work planned for FY 1988 includes the continued review of the development of the Treasurer's Integrated Financial System, evaluations of new accounting

and EDP procedures, revisions to audit software, and training auditors for IBM-compatible equipment and new data base management systems. Collaboration with the public accounting firm and with the External Audit Committee will also be a significant aspect of work in 1988. Reporting requirements of the Committee are expanding and will include more active follow-up work on audit recommendations.

It is proposed to add 1 auditor position in support of the expanding audit activity. Total manpower available to the office is estimated to increase by 0.4 man-years to 10.8 man-years.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

INVESTMENT OFFICE — STAFF RETIREMENT PLAN

Estimated Expenses

Type of expense	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Estimated Expenses	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(Value figures in thousands of U.S. dollars)				
Salaries	—	83	115	+ 32	38.6
Other personnel expenses	—	74	71	- 3	- 4.1
Business travel	—	3	3	—	—
Other travel	—	19	20	+ 1	5.3
Data processing	—	—	—	—	—
Other administrative expenses	—	4,511	4,915	+404	9.0
Total	—	4,690	5,124	+434	9.3

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Total staff ceiling	1	2	—	3	—	1	2	—	3
Effective manpower estimates ¹	1.0	1.0	—	2.0	+0.8	1.0	1.8	—	2.8
Temporary Assistance	—	—	1.0	1.0	—	—	—	1.0	1.0
Total effective manpower	1.0	1.0	1.0	3.0	+0.8	1.0	1.8	1.0	3.8

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 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 1986

In 1986, the assets of the SRP increased in value to \$860 million, and were allocated for investment in three broad asset categories—U.S. equities, bonds, and international. Investments within these asset categories were managed by 10 investment firms, which were responsible for 14 accounts. During the year, the efforts of the Investment Committee were directed toward maintaining an effective overall investment program for the SRP. This program provided for continued participation in the strong financial market environment, while at the same time, it increased the emphasis on new approaches that would reduce the risk exposure of the portfolio in periods of financial market decline. Specifically, an extensive review of investment policy and asset allocation resulted in (i) the

decision to further diversify the investment of the SRP portfolio into real estate (ii) initiation of a program to hedge the portfolio's U.S. equity investments against significant market declines, (iii) the restructuring of a large part of the bond portfolio to increase return potential both in periods of rising and falling interest rates, (iv) introduction of a number of investment manager changes to improve overall portfolio structure and performance potential, and (v) adoption of a new cash flow allocation policy. In addition, an Advisory Committee composed of outside experts was established to provide advice on the capital markets and on the investment strategy being followed by the Investment Committee.

WORK PROGRAM IN FINANCIAL YEAR 1988

In FY 1988, the work program of the Investment Committee will continue to be heavy. The committee will work, on an ongoing basis, to maintain an effective asset allocation and investment manager structure in the SRP portfolio. In addition, increasing emphasis will be placed on preserving the very large investment gains realized since 1979. The initial work program for the year includes a

review of new tactical asset allocation and portfolio hedging techniques, a restructuring of the core portion of the U.S. equity portfolio, completion of the restructuring of the bond portfolio, a review of the non-U.S. investment managers and the risk exposure of their portfolios, and initiation of portfolio investment in real estate.

FY 1988 BUDGET BY UNIT OF ORGANIZATION

SUPPORT GROUP¹

**Personnel Ceilings
(man-years)**

Unit	FY 1987				Change FY 1987 to FY 1988	FY 1988			
	Grades					Grades			
	B1-B5	A9-A15	A1-A8	Total		B1-B5	A9-A15	A1-A8	Total
Resident Representatives & Advisors	4	27	—	31	— 1	4	26	—	30
Secretarial Staff	—	1	27.5	28.5	—	—	1	27.5	28.5
Total Staff Ceiling	4	28	27.5	59.5	— 1	4	27	27.5	58.5
Effective manpower estimates ¹				56.6	— 0.3				56.3
Other ²				— 23.0	— 2.0				— 25.0
Total effective manpower				33.6	— 2.3				31.3

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

²Reflects man-years which have been distributed among the units of organization on the basis of actual and estimated usage of the Secretarial Support Group Staff.

**SUMMARY OF FUNCTIONS AND WORK PROGRAM
IN CALENDAR YEAR 1986 AND FINANCIAL YEAR 1988**

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 1987 administrative budget made provision for 31 positions (34 in FY 1986), 1 of which was undesignated. Since the beginning of FY 1987, 1 new post (Egypt) has been opened.

In July 1987 the post in Korea will be closed, reducing the authorized number of positions to 30 in FY 1988. The temporary closing of vacant posts in the Dominican Republic and Paraguay will provide for two undesignated posts. A summary of assignments anticipated in FY 1988 compared with FY 1987 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 1986, this unit provided 24 man-years of secretarial support (21 man-years in 1985). However, it was necessary to supplement the Secretarial Support Group with 53 (46) 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 the 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 28 in connection with operations and relations with member countries activities.

SUPPORT GROUP

Resident Representatives & Advisors

Comparison of Anticipated Assignments in FY 1988
with Authorized Assignments in FY 1987

Countries	FY 1987	Change FY 1987 to FY 1988	FY 1988
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
Korea	Representative	-1	— ¹
Nepal	Representative		Representative
Philippines	Representative		Representative
Sri Lanka	Representative		Representative
Western Samoa	Representative		Representative
Middle Eastern Countries			
Egypt	Representative ²		Representative
Sudan	Representative		Representative
Western Hemisphere Countries			
Bolivia	Representative		Representative
Chile	Representative		Representative
Costa Rica	Representative		Representative
Dominican Republic	Vacant	-1	— ³
East Caribbean Currency Countries	Advisor		Advisor
Haiti	Representative		Representative
Jamaica	Representative		Representative
Paraguay	Vacant	-1	— ³
Uruguay	Representative		Representative
Undesignated Countries	—	+2	2 ⁴
TOTAL	31	-1	30

¹Post to close July 1987.²Added during the course of FY 1987.³Vacant post temporarily closed in FY 1988.⁴Contingency provision.

Administrative Budget for FY 1988

BUDGET BY OBJECT OF EXPENSE

FY 1988 ADMINISTRATIVE BUDGET BY OBJECT OF EXPENSE

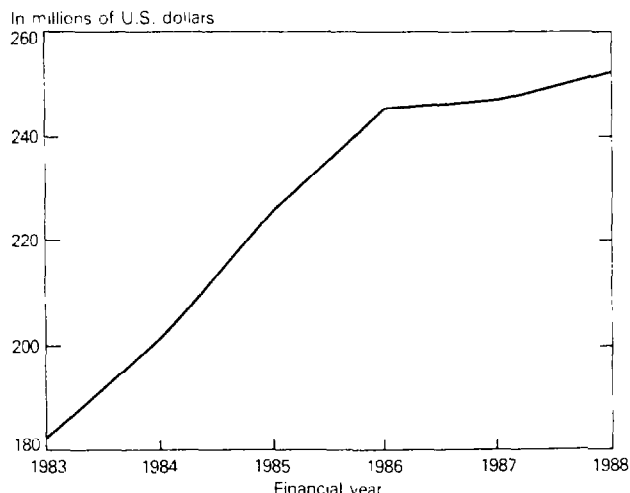
This section of the administrative budget provides the underlying proposals for expenditure in FY 1988 for each category of administrative budget expense. Expenses are classified into three broad groups—personnel expenses, travel expenses and other administrative expenses—and further subdivided into ten categories of expense which provide the basis for the Executive Board decision on page 14. This section of the document contains detailed information in support of the 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 1987 estimates of expenditure contained in this section reflect actual expenses through January 1987 and estimates of expected deliveries for February, March, and April.

Beginning in FY 1988, a new automated expense information and budgeting system now being developed will be used for the preparation, implementation, and control of budgeted funds. The new system, in conjunction with the establishment of additional discretionary budgets, will also help to improve resource management in the departments.

Chart 1
Total Administrative Expenses¹
FY 1983-FY 1988



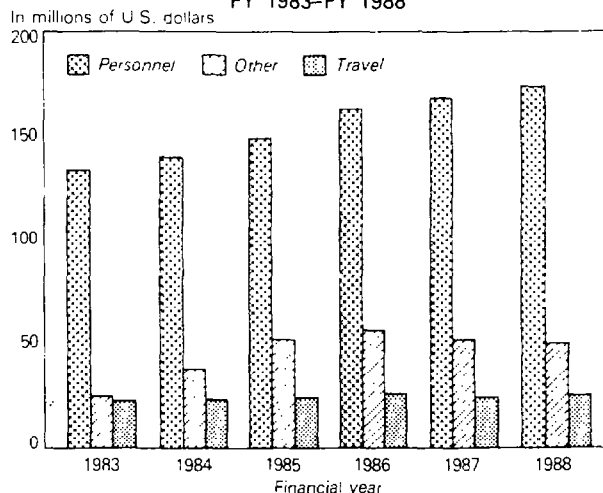
¹Includes GSA.

As noted in the box on page 5, there has been a significant change in the growth of administrative expenses over the past five years, as shown in Chart 1.

In FY 1983, total administrative expenses were \$182.7 million; these expenses increased by 10.7 percent in FY 1984, 12.0 percent in FY 1985, and 8.6 percent in FY 1986 reaching \$245.8 million. However, the approval of a negative real growth budget in FY 1987 reduced the estimated growth in total expenses to 0.7 percent (\$247.6 million) and this general trend will be continued in FY 1988 with administrative expenses of \$252.8 million, including an estimated salary adjustment (GSA) of \$7.5 million.

Over the same period of time, there has also been a noticeable change in the pattern of expenses within the three broad expense groups. The overall trends are shown in Chart 2.

Chart 2
Personnel, Travel, and Other Administrative Expenses¹
FY 1983-FY 1988



Personnel expenses (salaries and other personnel expenses) have increased from \$133.2 million in FY 1983 to an estimated \$169.5 million in FY 1987, an increase of 27.3 percent over four years, or an annual average increase of 6.8 percent per year. In FY 1988, personnel expenses are estimated at \$174.0 million including an estimated GSA of \$7.5 million.

Travel expenses have increased only moderately in U.S. dollar terms over the five-year period; in FY 1983, travel expenses were \$23.6 million, and were \$26.0 million in FY 1987, an increase of 10.2 percent over the period under review or an annual average increase of 2.6 percent. In FY 1988, travel expenses are expected to increase to \$27.0 million.

Other administrative expenses which include communications, building occupancy, books and printing, supplies and

equipment, data processing, and miscellaneous expenses more than doubled from \$25.8 million in FY 1983 to \$56.3 million in FY 1986, an increase of 118.2 percent or an annual average of 39.4 percent. A large part of this increase reflected the sharp rise in EDP expenses as part of the effort to replace outdated production systems. In FY 1987, it is estimated that other administrative expenses will decrease by 7.6 percent to \$52.0 million, and this level of expenses will be maintained in FY 1988. Looked at in a different context, the proportion of total expenses allocated to the other administrative expense classification rose from 14.2 percent in FY 1983 to 21.2 percent in FY 1988.

FY 1988 BUDGET BY OBJECT OF EXPENSE

(In thousands of U.S. dollars)

Object of Expense	FY 1986 Actual Expenses	FY 1987		FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
		Original Budget	Revised Budget and Estimated Expenses ¹		Increase + Decrease -	Percent Change
I. PERSONNEL EXPENSES						
A — SALARIES						
Executive Directors, Alternates, and Advisors	4,727	4,890	4,840	4,870	+ 80	0.6
Assistants to Executive Directors	1,935	1,950	4,240	4,300	+ 70	1.7
Staff	81,363	82,530	86,150	86,460	+ 2,310	2.7
Experts and consultants	8,038	7,840	7,460	8,000	+ 540	7.0
Total	96,063	97,210	102,700	105,630	+ 2,930	2.9
B — OTHER PERSONNEL EXPENSES						
Dependency allowances	3,291	3,580	3,200	3,520	+ 340	9.9
Settlement allowances and grants	6,557	6,770	7,270	7,200	+ 70	1.0
Overseas allowances	2,443	2,500	2,300	2,610	+ 110	4.4
Children's education allowances	2,185	2,410	2,443	2,705	+ 290	10.6
Study allowances and training	1,045	1,100	1,150	1,405	+ 255	22.2
IMF Institute living allowances	795	870	830	900	+ 70	8.4
Tax allowances	9,491	10,450	11,265	12,030	+ 765	6.8
Retirement contributions	32,021	29,850	30,380	18,710	-11,670	-38.4
Termination incentives	1,073	1,950	1,953	3,830	+ 1,877	194.7
Health benefits	3,942	4,450	4,495	4,995	+ 495	8.9
Life insurance and death benefits	123	255	110	140	+ 30	27.3
Social and welfare expenses	203	215	275	275	0	0.0
Food services	708	570	610	600	- 10	- 1.6
Total	63,821	64,990	66,785	60,830	- 5,955	- 8.9
Total Personnel Expenses	161,884	162,200	169,485	166,460	- 3,025	- 1.8
II. TRAVEL EXPENSES						
C — BUSINESS TRAVEL						
Meetings of Governors	3,546	1,500	1,520	1,650	+ 130	8.6
Other business travel	12,394	12,300	12,500	12,800	+ 300	2.4
Total	15,940	13,800	14,020	14,450	+ 430	3.1
D — OTHER TRAVEL						
Settlement travel	5,180	5,180	4,900	5,140	+ 180	3.6
Home leave travel	4,475	4,870	5,000	5,200	+ 200	4.0
Miscellaneous travel	2,016	1,970	2,060	2,220	+ 160	7.8
Total	11,671	12,020	12,020	12,560	+ 540	4.5
Total Travel Expenses	27,611	25,820	26,040	27,010	+ 970	3.7
III. OTHER ADMINISTRATIVE EXPENSES						
E — COMMUNICATIONS						
Postage and freight	2,324	2,160	2,450	2,520	+ 70	2.9
Telephone	2,410	2,095	2,060	2,295	+ 145	7.0
Telegraph	1,261	1,250	1,350	1,175	+ 25	1.9
Total	5,995	5,505	5,860	6,100	+ 240	4.1
F — BUILDING OCCUPANCY						
Maintenance and operation	3,739	4,720	4,647	5,491	+ 854	18.4
Utilities	2,537	2,860	2,442	2,533	+ 69	3.6
Alterations	5,936	5,410	4,433	2,750	- 1,683	- 38.0
Rentals	2,338	2,330	2,213	2,466	+ 255	11.5
Total	14,550	15,340	13,735	13,240	- 485	- 3.5
G — BOOKS AND PRINTING						
Books and periodicals	740	750	785	720	- 35	- 4.5
Contractual printing	1,624	1,360	1,505	1,360	- 145	- 9.6
Total	2,364	2,110	2,290	2,110	- 180	- 7.9
H — SUPPLIES AND EQUIPMENT						
Purchase of furniture and equipment	3,999	2,110	1,832	2,112	+ 280	15.3
Rental of equipment	623	680	557	797	+ 240	43.1
Maintenance of equipment	446	470	371	449	+ 78	21.0
Expendable supplies	1,607	1,360	1,195	1,422	+ 227	19.0
Total	6,685	4,570	3,955	4,780	+ 825	20.9
I — DATA PROCESSING						
Fund computer facilities	8,164	8,275	7,743	6,660	- 1,083	- 14.0
Contractual support	4,951	5,100	4,400	4,950	+ 550	12.5
Other data processing	7,639	5,955	6,487	6,090	- 397	- 6.1
Total	20,754	19,330	18,630	17,700	- 930	- 5.0
J — MISCELLANEOUS						
Representation	620	655	720	735	+ 35	4.9
Insurance	543	660	855	815	+ 40	4.7
Miscellaneous contractual services	5,616	4,990	6,350	6,760	+ 410	6.5
Sundries	1221	1360	1350	1290	+ 40	11.4
Total	5,957	5,965	7,375	7,940	+ 365	4.8
Total Other Administrative Expenses	56,310	52,820	52,033	51,670	- 165	- 0.3
TOTAL BUDGET	248,895	242,840	247,560	243,340	- 2,220	- 0.9

¹Includes supplementary appropriations of \$3,400,000 on account of the 1986 general salary adjustment as approved at EBM/65/185 (November 19, 1986) and supplementary appropriations of \$1,320,000 as approved at EBM/67/55 (March 27, 1987).

FY 1988 BUDGET BY OBJECT OF EXPENSE

I. PERSONNEL EXPENSES

A — SALARIES

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget ¹	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
(In thousands of U.S. dollars)					
Executive Directors, Alternates, and Advisors	4,727	4,840	4,870	+ 30	0.6
Assistants to Executive Directors	3,935	4,230	4,300	+ 70	1.7
Staff	81,363	86,150	88,460	+ 2,310	2.7
Technical assistance experts and consultants	8,038	7,480	8,000	+ 520	7.0
Total	98,063	102,700	105,630	+ 2,930	2.9

¹Excludes any provision for a General Salary Adjustment.

Executive Directors, Alternates, and Advisors In FY 1988, 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 costs of 3 Board members are shared with the World Bank. It is projected that expenditures for Board members and Advisors in FY 1988 will be equivalent to 67.5 man-years compared with a total of 67 man-years in FY 1987.

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 costs of 2 Secretarial Assistants are shared with the World Bank. The budget estimate for FY 1988 is based on the assumption that total effective man-years for assistants will be about 116 compared with the total of 114 in FY 1987.

Staff The authorized ceiling for the current financial year is 1,691 positions. It is proposed to add a net 20.5 positions in FY 1988 thus raising the staff ceiling to 1,711.5. The FY 1988 budget for staff salaries provides for the cost of approximately 1,975 man-years compared with the cost of 1,948 man-years in FY 1987, and includes provision for temporary secretarial assistance for the offices of the Executive Directors (8 man-years in both years).

The increase of 27 man-years includes: (i) the addition of 20.5 new positions; (ii) a decrease in the vacancy rate equivalent to 10.7 man-years; (iii) an increase in the Economist Program by 2.6 man-years; (iv) a reduction in the summer intern program by 3 man-years; (v) a reduction in paid overtime by 2.6 man-years; and (vi) a reduction in temporary assistance by 1.1 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 (\$75,900,000), the main elements in the staff salaries account for FY 1988 are: the Economist Program (\$1,755,000), the Staff Contingency Fund including provision for temporary staff charged against vacant positions (\$8,830,000), staff overtime (\$1,100,000), temporary staff hired in connection with the Annual Meeting (\$395,000), and various miscellaneous expenses including 5 special appointees, and the Fund's 50 percent share of the cost of the Executive Secretary and a secretarial assistant 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 1987, 24 economists will have been hired under this program, and 43 have been carried over from prior years, for a total of 43 man-years and a cost of \$1,635,000. The proposed budget for FY 1988 (\$1,755,000) allows for the carry over from FY 1987 of 45 economists and for the recruitment of 25 new staff, for a total of 45.6 man-years. The summer intern program is used to hire graduate university students during the summer period. The proposed budget for FY 1988 (\$100,000) provides for 15 interns for a total of 4 man-years compared with 26 interns for a total of about 7 man-years (\$170,000) in FY 1987.

In FY 1987, it is expected that a total of 252 man-years of assistance will have been provided from the Staff Contingency Fund at an estimated cost of \$8,480,000. For FY 1988, a budget of \$8,830,000 is proposed, which will provide for about 251 man-years of assistance consisting of 33 man-years for temporary staff to fill vacant positions, 35 man-years for leave replacements at A1-A8 levels, and 183 man-years for seasonal and special work load requirements. The latter figure includes 82 man-years of assistance by computer programmer specialists.

The main factors accounting for the increase of \$2,310,000 in the FY 1988 budget for staff salaries are:

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the net cost of 20.5 new positions (\$600,000), the net cost of promotions and merit increases for staff after allowing for turnover of staff (\$1,200,000), and an increase in the cost of temporary assistance (\$350,000).

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 1988 includes \$6,800,000 for salaries for 89 man-years of central banking and 26 man-years of fiscal experts, as compared with the estimate of \$6,500,000 in FY 1987 for 89 man-years of assistance provided by central banking experts and 22 man-years by fiscal experts. Within the above numbers, the budget continues to provide for a few experts stationed at headquarters to carry out special projects.

The proposed budget for FY 1988 also includes \$1,200,000 for about 14 man-years of consultants, compared with an estimated \$980,000 for about 12 man-years

in FY 1987. The total for consultants' salaries includes \$540,000 for the continuation from FY 1987 of the chairman of the Grievance Committee, the Ombudsman, a legal service consultant to assist staff members, 2 consultants for the Job Grading Appeals Committee, a consultant to follow up on the recommendations of the Working Party on the Discrepancy in Global Current Account Balances, a consultant to advise on various staff development policies, and a consultant to advise on an information security program. It also includes \$600,000 for consultants and visiting professors in the Asian, European, Western Hemisphere, Fiscal Affairs, Research, and Treasurer's Departments, and in the Bureau of Statistics to advise on issues of current interest to the Fund, as well as \$60,000 for consultants to advise the External Relations Department, the IMF Institute, and the Office of the Internal Auditor on various issues related to their activities.

Overall, the budget provides for an increase of 7 man-years for technical assistance experts and consultants.

B — OTHER PERSONNEL EXPENSES

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget ¹	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
(In thousands of U.S. dollars)					
Dependency allowances	3,381	3,500	3,530	+ 30	0.9
Settlement allowances and grants	6,557	7,270	7,200	- 70	-1.0
Overseas allowances	2,443	2,500	2,610	+ 110	4.4
Children's education allowances	2,185	2,445	2,705	+ 260	10.6
Study allowances and training	1,045	1,150	1,405	+ 255	22.2
IMF Institute living allowances	795	830	900	+ 70	8.4
Tax allowances	9,491	11,265	12,030	+ 765	6.8
Retirement contributions	32,021	30,380	18,710	-11,670	-38.4
Termination incentives	1,073	1,955	5,830	+ 3,875	198.2
Health benefits	3,942	4,495	4,895	+ 400	8.9
Life insurance and death benefits	(23)	110	140	+ 30	27.3
Social and welfare expenses	203	275	275	0	0.0
Food services	708	610	600	- 10	-1.6
Total	63,821	66,785	60,830	- 5,955	- 8.9

¹Excludes 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 1987, a total of 1,469 persons were receiving dependency allowances (compared with 1,485 in January 1986).

Settlement Allowances and Grants This account provides for the payment of installation and resettlement

allowances, and settling-in and separation grants. It also provides for the cost of accruals for unused annual leave and earned separation grants. During FY 1987, 19 (14 in FY 1986) Board members and Advisors, 23 (19) assistants, 50 (61) staff, 15 (12) staff posted in the field, and 42 (52) technical assistance experts are expected to receive installation allowances, while 21 (14) former Board members and Advisors, 16 (10) former assistants, 55 (52) former staff, and 12 (10) staff returning from field assignments will receive resettlement allowances. Settling-in grants will be paid to 19 (14) Board members and Advisors, 23 (19) assistants, and 50 (61) staff, and separation grants will be paid to 3 (2) assistants, and 47

(57) staff. The proposed budget of \$7,200,000 for FY 1988 incorporates fewer settlement payments to Executive Directors as it is a nonelection year, and includes \$2,510,000 for the estimated cost of accrued annual leave and separation grants which it is anticipated will accumulate in FY 1988 over and above what has been provided for through FY 1987. This latter figure takes into consideration more payments to staff because of a large number of separations expected under the Early Retirement Assistance Scheme.

Overseas Allowances This account covers the cost of allowances paid to technical assistance experts and staff members on long-term overseas assignment. These allowances are intended to compensate for additional expenses and hardships for which provision is not otherwise made. In FY 1987, it is estimated that allowances will have been paid for a total of 28 man-years of overseas staff assignments and 109 man-years of expert assignments. The FY 1988 budget of \$2,610,000 provides for 29 staff and 114 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 Board members, Advisors, assistants, staff, and technical assistance experts. From May through December 1986, 498 eligible persons had received payments under this policy (496 in the same period in 1985). The FY 1988 budget of \$2,705,000 allows for an increase of \$260,000 to cover an anticipated increase in the number and level of payments.

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 80 eligible staff members and assistants to Executive Directors will receive payments in FY 1987 (97 in FY 1986) under the individual study programs, at a total estimated cost of \$114,500. The FY 1988 budget of \$160,000 makes provision for a larger number of staff to obtain additional training in connection with the Job Grading exercise. Other training courses in FY 1987 are expected to cost \$1,016,000 on account of the number of staff and assistants to Executive Directors attending these courses as follows: 2,635 (2,434 in FY 1986) participants for in-service training (economics, communications, management consulting and development, technology, etc.); 345 (389) participants for language courses; and 240 (282) participants for other courses under the external training program. The amount budgeted for these programs in FY 1988 is \$1,220,000. 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 1987 to \$25,000 in FY 1988 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 apartments, are paid a daily allowance of \$25 (senior participants \$40) to cover the cost of meals and various miscellaneous expenses. In FY 1987, it is estimated that a total of 546 participants will have been paid a living allowance for 33,345 days while attending courses in Washington, D.C. The budget for FY 1988 assumes that a total of 544 participants will be paid a living allowance for 36,350 days. Continuing provision has also been made for short programs of individual study for special participants (7 in FY 1987 and 5 in FY 1988). The increase of \$70,000 in the budget for FY 1988 reflects the increase in the estimated number of paid participant-days.

Tax Allowances This allowance includes payments made on account of national, state, and local income taxes, and for the partial reimbursement of social security taxes for Executive Board members, assistants, staff, and technical assistance experts. In CY 1986, 493 persons received tax allowances (511 in CY 1985). The estimate for FY 1988 is \$12,030,000 which is \$765,000 (6.8 percent) more than in FY 1987 because of increased payments of allowances in connection with the Early Retirement Assistance Scheme (\$700,000) and to higher salaries and other factors (\$205,000). These increases are offset somewhat by a projected small decrease in tax allowance payments as a result of changes to the U.S. tax laws.

Retirement Contributions This account provides for the Fund's contributions to the Staff Retirement Plan (SRP) as well as to outside plans on behalf of Board members, Advisors, assistants, and staff; and for contributions to the pension plans of technical assistance experts. As of January 1, 1987, contributions were being made on behalf of 1,926 participants (1,915 as of January 1, 1986). For FY 1987 this account also provides for pension parity supplements and for two special payments for the funding of cost-of-living supplements in excess of 2 percent, and for the amortization of experience gains or losses of the Plan. The estimated expense in FY 1987 (\$30,380,000) includes \$20,790,000 for the cost of the Fund's contributions, payments to the Plan of \$3,964,000 for cost-of-living supplements which became effective on May 1, 1985, and \$5,623,000 to amortize experience losses accumulated through FY 1985. The FY 1988 budget of \$18,710,000 includes \$18,590,000 for the costs of Fund contributions to the Staff Retirement Plan as well as to outside pension plans, and \$120,000 for the costs of pension parity supplements and a supplemental pension for the former Managing Director. The lower level of expenses in FY 1988 is a result of a change in the method of funding the SRP as approved by the Executive Board at EBM/87/52 (3/23/87), and the recent excellent investment experience of the Plan.

Termination Incentives This account covers termination payments made under 2 programs: (i) the Termination Benefits Fund (TBF), which has been in existence

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since 1972, and under which payments may be made to encourage the separation of staff at any level, and (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. The FY 1987 revised estimate for both programs (\$1,955,000) includes \$735,000 for payments under the TBF to about 12 staff, \$900,000 for a special supplement to the TBF to provide early retirement assistance for staff members whose positions have been downgraded as a result of the Job Grading exercise and who wish to take early retirement, and \$320,000 for monthly supplemental payments under the early retirement incentives scheme to 17 former senior staff who retired in FY 1980 and FY 1981. The FY 1988 budget of \$5,830,000 provides \$1,100,000 for a slightly larger number of payments under the TBF including staff members whose positions have been downgraded and who wish to separate from the Fund but are not qualified to do so under the Early Retirement Assistance Scheme; \$4,400,000 for payments to staff members who wish to separate under the Early Retirement Assistance Scheme; and \$330,000 for the cost of continued monthly supplemental payments to 17 former senior staff.

Health Benefits This account provides for the Fund's two-thirds contribution to the cost of the Medical Benefits Plan on behalf of Board members, Advisors, assistants, staff, technical assistance experts, retirees, and IMF Institute participants; and for other health benefit expenses. There were a total of 2,579 enrollees in the Medical Benefits Plan in January 1987 (2,553 in January 1986). The estimated cost of the Plan in FY 1988 is \$4,346,000 which is \$282,000 (6.9 percent) higher than in FY 1987 primarily because of expected small increases in enrollment, and continued inflation in medical costs. The budget for this account in FY 1988 also includes \$496,000 (\$375,000 in FY 1987) for the Fund's share of the cost of the Joint Bank-Fund Health Room and \$53,000 (\$55,000) for annual physical examinations as well as other medical services.

Life Insurance and Death Benefits This account provides for the Fund's contribution to the Group Life Insurance Plan on behalf of Board members, Advisors, assistants, staff, technical assistance experts, and retirees (there were 2,082 enrollees in January 1987 compared with 2,049 in January 1986); 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 1987 takes into account the Fund's one-third share (\$231,000) of a return of premiums declared by the insurance company as a result of very good claims experience in CY 1986. The FY 1988 budget is based on a small increase in the number of enrollees, and the assumption that claims' experience will be similar to the average over the last few years.

Social and Welfare Expenses This account provides for certain social and welfare expenses primarily for the benefit of Board members, Advisors, assistants, staff, and retirees. The budget proposed for FY 1988 is \$275,000, the same as in FY 1987. The principal items in the budget for FY 1988 are the social program for participants attending IMF Institute courses (\$95,000), the Christmas party (\$84,000), and the annual picnic at the Bretton Woods Recreation Center (\$29,000). In addition, provisions are made for activities of the International Families of the Fund Office, for contributions for approved activities of staff groups, for Fund contributions toward the cost of farewell receptions and gifts for retiring staff, and for various other 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 1988 budget of \$600,000 is slightly less than the revised estimate for FY 1987 (\$610,000), reflecting efforts to contain expenses. Increases in the cost of food and of salaries and benefits for the food service staff will be covered by similar increases in menu prices. In FY 1988, a comprehensive review of food services is planned.

II. TRAVEL EXPENSES

C — BUSINESS TRAVEL

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
		(In thousands of U.S. dollars)			
Meetings of Governors	3,546	1,520	1,650	+ 130	8.6
Other business travel	12,394	12,500	12,800	+ 300	2.4
Total	15,940	14,020	14,450	+ 430	3.1

Meetings of Governors This account provides for the Fund's share of the cost of transportation, per diem, and incidental costs of travel for Governors and Alternate

Governors, Executive Board members, their Advisors and assistants, and staff attending the Annual Meeting and meetings of the Interim and Development Committees. It

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also provides for the travel of the Chairmen of the Interim and Development Committees and for the travel of the Development Committee Secretary. The proposed budget of \$1,650,000 for FY 1988 assumes that there will be two Interim and Development Committee meetings, both to be held in Washington, D.C. The next Annual Meeting will be held in Washington; some increase in expenses is expected, however, due to increases in transportation costs.

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 1986, Board members, their Advisors and assistants made 344 business trips abroad

(364 in 1985). Staff made 1,924 trips abroad (1,975 in 1985), of which 782 were for regular consultations, 417 were for additional missions in connection with use of Fund resources, including stand-bys and Structural Adjustment Facility programs, 221 were for other country missions including aid meetings, 218 were for technical assistance, and 286 were for other purposes. In FY 1987, it is estimated that of the total anticipated cost (\$12,500,000), some \$7,500,000 (60 percent) will be for transportation expenses and about \$5,000,000 (40 percent) for per diem and incidental expenses. The amount budgeted for next year (\$12,800,000) provides for an average increase of about 4 percent in airfares and per diem allowances offset by a slight decline in volume reflecting, in part, continued efforts by management to maintain strict control over staff mission travel.

D — OTHER TRAVEL

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(In thousands of U.S. dollars)				
Settlement travel	5,180	4,960	5,140	+180	3.6
Home leave travel	4,475	5,000	5,200	+200	4.0
Miscellaneous travel	2,016	2,060	2,220	+160	7.8
Total	11,671	12,020	12,560	+540	4.5

Settlement Travel In FY 1987, settlement travel expenses will have been paid for the following persons and their families: 40 present and former Executive Board members, 39 assistants, 105 staff, and 151 technical assistance experts (the numbers for FY 1986 were 28, 29, 113 and 152, respectively). In addition, settlement travel expenses will have been paid for 546 IMF Institute participants and their spouses, and for 27 staff and their families who were posted in the field as Fund representatives or advisors (653 and 22 in FY 1986, respectively). The FY 1988 budget of \$5,140,000 is \$180,000 above that for FY 1987, and takes into account a lower volume of travel by Executive Board members in a nonelection year and an 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. 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 reduced by about \$500,000.

Home Leave Travel This account provides for the payment of the home leave allowance and travel expenses for assistants, staff, their families, and for the dependents of Executive Board members and their Advisors. Provi-

sion is also made in this account for the cost of rest and recuperation trips for technical assistance experts and staff in the field. During the current financial year, about 595 staff and their dependents, 33 assistants to Executive Directors and their dependents, and the dependents of 22 Board members will have traveled on home leave (the numbers for FY 1986 were 572, 35, and 12, respectively). The FY 1988 budget of \$5,200,000 makes allowance for an average increase of 3 percent in airfares and a small 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, of assistants, of staff, and of 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 1988 budget of \$2,220,000 allows for a small increase in airfares which is offset somewhat by a decline in the volume of consultants' travel with the completion of the balance of payments statistical discrepancy study.

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III. OTHER ADMINISTRATIVE EXPENSES

E — COMMUNICATIONS

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(In thousands of U.S. dollars)				
Postage and freight	2,324	2,450	2,520	+ 70	2.9
Telephone	2,410	2,060	2,205	+ 145	7.0
Telegraph	1,261	1,350	1,375	+ 25	1.9
Total	5,995	5,860	6,100	+ 240	4.1

Postage and Freight The proposed budget for FY 1988 of \$2,520,000 is 2.9 percent higher than in FY 1987 reflecting a stabilizing of demand for postage and freight services and a modest increase in freight costs. It is expected that the use of courier services will continue to increase, albeit at a slower rate than in the past, offset somewhat by a reduction in publications postage costs as a result of a review of subscription lists.

Telephone This account provides for the cost of switchboard staff and equipment, for long distance calls, and for other related expenses. The proposed FY 1988

budget of \$2,205,000 is 7.0 percent higher than the revised estimate for FY 1987 reflecting the projected increased substitution of long distance telephone calls, particularly in conjunction with the use of facsimile equipment, for telex and cable traffic as the main medium for shorter, time-critical correspondence.

Telegraph This account provides for telex, cable and related expenses. The proposed FY 1988 budget of \$1,375,000 provides for little increase in the volume of cable traffic based on the anticipated greater use of facsimile equipment.

F — BUILDING OCCUPANCY

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
(In thousands of U.S. dollars)					
Maintenance and operation	3,739	4,637	5,491	+ 854	18.4
Utilities	2,537	2,442	2,531	+ 89	3.6
Alterations	5,936	4,433	2,750	- 1,683	-38.0
Rentals	2,338	2,213	2,468	+ 255	11.5
Total	14,550	13,725	13,240	- 485	-3.5

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, leaseholds at the International Square building, the Concordia apartment complex, the Bretton Woods Recreation Center, the Paris Office, and other domestic and overseas property. Most of the costs included in this account are to pay for the work force of contractual building services personnel working on day and night shifts. The work force at the headquarters building includes 14 engineers, 3 painters, 21 utility men, 5 accountants, 40 guards, 4 clerk-typists, 5 garage attendants, and 18 cleaners; this latter group is supported by a night cleaning crew of about 80. The budget estimate of \$5,491,000 for FY 1988 includes \$3,897,000 for building maintenance, building operations, guard, and cleaning

services; \$732,000 for repairs; and \$835,000 for building supplies and other maintenance and operation expenses. The increase of \$854,000 (18.4 percent) over FY 1987 is due to projected higher wages and prices, and increased levels of maintenance, operations and repair services.

Utilities This account provides for electricity, fuel oil, gas and water costs. The FY 1988 budget of \$2,531,000 includes \$2,053,000 for electricity, (81 percent of the total utilities budget) and \$478,000 for fuel oil, gas, and water expenses. The increase in this account is primarily for expected increases in the use of electricity and small increases in utility prices.

Alterations This account provides for building alteration expenses including office relocations and renovations, upgrades to building equipment systems, electrical altera-

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tions in connection with the installation of automation equipment and other alterations. The main elements in the \$2,750,000 building alterations program for FY 1988 are general remodeling costs (\$640,000); improvements to the life/safety security systems (\$405,000); the further upgrade of heating, ventilation, electrical and lighting facilities (\$335,000); the upgrade of the cafeteria serving area (\$240,000); and increased cable facilities for telephones and local area networks (\$220,000). Funds are also budgeted to cover miscellaneous projects such as retrofitting existing office furniture to accommodate new office automation equipment, developing accurate space, architectural and mechanical drawings of the headquarters complex, and improving certain aspects of building security. The projected reduction in expenditures of \$1,683,000 in FY 1988 (-38.9 percent) is on account of the completion of most of the Concordia alterations in FY 1987 (\$840,000), a projected decrease in other alteration projects compared to FY 1987 as a result of budget constraints, and the transfer of some expenses to the Capital Budget in FY 1988.

Rentals This account provides for rental payments for offices in Washington, D.C. outside the headquarters building, offices in Paris, Geneva, and New York, and for joint facilities housed by the World Bank, e.g., the Health Room, the Credit Union, language classrooms, etc. The account also covers receipts from the World Bank for facilities based in Fund buildings, e.g., the Joint Library; for Concordia apartments used by participants in the

Economic Development Institute; and for income from parking charges as well as the cost of the parking management service and the rental of commercial parking space. The budget for FY 1988 is \$2,468,000 and includes \$3,943,000 (\$3,584,000 in FY 1987) for rental costs for International Square, Annual Meetings offices, office space in Paris and Geneva, and other rented space; and offsetting income from the Concordia apartments, the World Bank, and from parking charges of \$1,475,000 (\$1,371,000). The increase of \$255,000 (11.5 percent) in this account reflects projected increases in the cost of rental space including provision for the rental of additional space at International Square (EBAP/87/61, 3/20/87), approved at EBM/87/58, March 30, 1987.

It is estimated that the cost of the parking facility in FY 1988 will be \$870,000 (\$485,000 for the parking management service and for the rental of commercial space, which is charged to this account; and \$385,000 for utilities, security, and cleaning, which is charged to the utilities and maintenance accounts). On the basis of present parking rates, it is estimated that a deficit of \$44,000 will occur in FY 1988. In order to adhere to the parking policy approved by the Executive Board at EBM/79/110 (July 11, 1979) under which income from parking is to be set at a level which would equal the cost of providing the parking facility, it is proposed to increase charges by an average of 5.6 percent on May 1, 1987. The last increase in charges was on May 1, 1985.

G — BOOKS AND PRINTING

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(In thousands of U.S. dollars)				
Books and periodicals	740	785	750	- 35	-4.5
Contractual printing	1,629	1,505	1,360	- 145	-9.6
Total	2,369	2,290	2,110	- 180	-7.9

Books and Periodicals Reflecting the program to increase revenues (through increases in the volume and price of publications sold) and lower expenditures accruing from the increased use of automated systems, expenditures in this category will be at the level of budgeted expenditures in FY 1987. The FY 1988 budget of \$750,000 for this account provides for newspaper subscriptions and publications for Executive Directors and staff (\$333,000); for acquisitions by the Joint Library (Fund's share \$220,000), the Legal Library (\$60,000), the IMF Institute Library (\$50,000), and the Bureau of Language Services Library (\$14,000); for the rental of 8 news ticker services (\$58,000); and for binding services (\$15,000). The decrease in this account of \$35,000 is due to a slight reduction in the Fund's costs of the Joint Library.

Contractual Printing This account provides for contractual printing costs for publications and documents, and for receipts on the sales of publications, etc. The proposed FY 1988 budget of \$1,360,000 includes \$2,990,000 for production costs (\$2,986,000 in FY 1987) and \$1,630,000 for estimated income from sales (\$1,481,000 in FY 1987). Production costs include \$1,376,000 for *International Financial Statistics* and related statistical publications, \$344,000 for the *IMF Survey*, \$308,000 for the Fund's share of *Finance & Development*, and \$962,000 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 Series (WEFS)* including the *World Economic Outlook*. Major publishing projects for FY 1988

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include a study of the Fund's role in balance of payments adjustment over the period 1946-86, a review of the relevance of supply side tax policy to developing countries and a study of value added taxation, both of which have been carried over from FY 1987. Also scheduled for

release in FY 1988 are additional seminar volumes; six or seven papers in the *WEFS* series and an equal number of occasional papers, including ones on the theoretical aspects of Fund programs, privatization, income distribution and budgetary systems.

H — SUPPLIES AND EQUIPMENT

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease –	Percent Change
(In thousands of U.S. dollars)					
Purchase of furniture and equipment	3,999	1,832	2,112	+ 280	15.3
Rental of equipment	633	557	797	+ 240	43.1
Maintenance of furniture and equipment	446	371	449	+ 78	21.0
Expendable supplies	1,607	1,195	1,422	+ 227	19.0
Total	6,685	3,955	4,780	+ 825	20.9

Purchase of Furniture and Equipment This account provides for the purchase of furniture and furnishings for the headquarters building, for rented space, and for the Concordia apartments; of motor vehicles; and of typewriters, calculators, dictation and other office and specialized equipment other than communications and data processing equipment. The proposed FY 1988 budget of \$2,112,000 is \$280,000 (15.3 percent) more than in FY 1987. Principal elements in the FY 1988 budget include additional purchases of furniture and furnishings for office automation (\$1,456,000), purchases of calculators, typewriters, dictation and other office equipment (\$234,000), and purchases for the replacement of Fund equipment at the Bretton Woods Recreation Center (\$30,000). Most of the increase in FY 1988 is on account of increased purchases of office automation furniture.

Rental of Equipment This account provides for the rental of copy machines and other office equipment excluding communications and data processing equipment. The FY 1988 budget of \$797,000 is \$240,000 (43.1 percent) more than in FY 1987. Nearly 90 percent of this account is for the rental or lease of copy machines which

are purchased or leased with purchase options when possible. The increase in this account is mainly for the upgrade or replacement of copiers. At present, the Fund has 77 machines, of which 19 are owned.

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 1988 budget of \$449,000 is \$78,000 (21 percent) higher than the revised estimate for FY 1987 due mainly to projects originally scheduled in FY 1987 that will not be completed until FY 1988.

Expendable Supplies This account provides for expendable supplies including general, graphics, and data processing supplies. The FY 1988 budget estimate of \$1,422,000 is \$227,000 (19 percent) higher than in FY 1987 and reflects the continued increase in the volume of work, particularly in the area of in-house document production, and the increased use of office automation and data processing supplies.

I — DATA PROCESSING

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(In thousands of U.S. dollars)				
Fund computer facilities	8,164	7,743	6,660	- 1,083	-14.0
Contractual support	4,951	4,400	4,950	+ 550	12.5
Other data processing	7,639	6,487	6,090	- 397	- 6.1
Total	20,754	18,630	17,700	- 930	-5.0

FY 1988 BUDGET BY OBJECT OF EXPENSE

The total budget for EDP activities in FY 1988 is \$30,000,000 compared with the revised estimate of \$29,000,000 in FY 1987. These figures include the salaries and benefits of staff and consultants (in the Salaries and Other Personnel Expenses categories) and other costs for the purchase of contractual services, equipment, software and other expenses (in the Data Processing category). About \$19,950,000 (66 percent) of the proposed amount for FY 1988 is on account of the maintenance and operation of existing production programs. The remaining amount of \$10,050,000 (34 percent) is almost exclusively for the replacement of outdated and inefficient systems and for the continued development of projects already begun, and which have been reviewed on the basis of urgent operational needs and cost/benefit analyses, by the

Executive Committee for Computing Services (ECCS), a committee of senior staff chaired by the Deputy Managing Director.

The FY 1988 budget for the Data Processing category of \$17,700,000 provides for major computer facilities, contractual support, equipment, software and other related expenses, but excludes \$11,250,000 for salaries and benefits of EDP staff and consultants which are included in the personnel expenses category, and \$1,050,000 for capital expenses for the purchase of equipment and software which are included in the capital budget (see page 111). A summary of the FY1988 EDP projects for development and production systems as approved by the ECCS is contained in the following table.

DATA PROCESSING CATEGORY IN FY 1988 BY ACCOUNT AND PROJECT

Projects/Account	Fund Computer Facilities	Contractual Support	Other Data Processing	Total
_____in thousands of U.S. dollars_____				
A. Development Projects				
1. <i>New projects in FY 1988</i>				
a. Administrative Workstations	—	—	6	6
b. DMF Standards and Specifications	—	—	3	3
c. Administrative Expenditure	3	—	—	3
Subtotal	3	—	9	12
2. <i>Continuing projects from FY 1987</i>				
a. Treasurer's Integrated Financial System	69	1,946	8	2,023
b. Office Automation	1	210	1,526	1,737
c. Additional Microcomputers	—	—	1,574	1,574
d. Economist Applications	329	184	237	750
e. Data Communications	3	166	259	428
f. Other development projects	66	56	116	238
Subtotal	468	2,562	3,720	6,750
B. Maintenance and operation of existing systems				
Production	6,189	2,388	692	9,269
Lease and maintenance of existing equipment	—	—	1,669	1,669
Subtotal	6,189	2,388	2,361	10,938
Total	6,660	4,950	6,090	17,700

Major development projects that began in FY 1987 or earlier include: the Treasurer's Integrated Financial System which will replace outdated accounting systems; the economist applications that, after completion of the Economic Information System in the Bureau of Statistics, will provide area and functional department economists with better access to, and improved utilization capabilities of, major data bases; the office automation efforts to replace

outdated equipment and introduce upgraded technologies to improve productivity; the purchase of additional microcomputers for which the demand is significantly greater than available resources; and data communication efforts to establish a Fund-wide network that will link together the numerous systems, and will facilitate the exchange of information between various users in the Fund.

FY 1988 BUDGET BY OBJECT OF EXPENSE

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 \$1,083,000 in this account for FY 1988 is mainly because (i) major purchases of equipment and software systems above \$100,000 are now recorded in the Capital Budget (–\$900,000), and (ii) the operation of the Burroughs Computer Center was awarded to an outside vendor following a competitive bidding process.

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 increase of \$550,000 in this account in FY 1988 is primarily due to expected price increases of 5 to 6 percent

(+ \$260,000), and to a slightly greater need for services to place new systems into production.

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 estimated decrease of \$397,000 in this account in FY 1988 is due primarily to the transfer of the purchases of equipment and software above \$100,000 to the capital budget (–\$150,000), and to other factors.

J — MISCELLANEOUS

Account	FY 1986 Actual Expenses	FY 1987 Estimated Expenses	FY 1988 Proposed Budget	FY 1988 Compared with FY 1987	
				Increase + Decrease -	Percent Change
	(In thousands of U.S. dollars)				
Representation	620	720	755	+ 35	4.9
Insurance	543	855	815	- 40	-4.7
Miscellaneous contractual services	5,016	6,350	6,760	+410	6.5
Sundries	(222)	(350)	(390)	- 40	11.4
Total	5,957	7,575	7,940	+365	4.8

Representation All representation expenses incurred on behalf of the Fund are charged to this account, including expenses incurred at the Annual Meeting, at headquarters, and on mission. The increase projected for FY 1988 (+ \$35,000) is to provide for some increases in prices.

Insurance This account provides for property, casualty and liability insurance coverage worldwide; for travel accident, and travelers' personal effects insurance; and for the Fund's self-insured workers' compensation claims and costs. A slight decrease (–\$40,000) projected for FY 1988 is due to reduced premiums resulting from the softening insurance market following the sharp increases in premium rates in FY 1987.

Miscellaneous Contractual Services This account provides for the cost of sundry contractual services not included elsewhere. The main components included in this category are investment and custody fees for the Staff Retirement Plan of \$4,900,000 (\$4,500,000 in FY 1987); the staff compensation and tax reviews, \$550,000 (\$623,000); translation and interpretation services, \$180,000 (\$175,000); the study of Executive Directors' remuneration, \$75,000 (\$62,000); the operation of the

Visitors' Center, \$75,000 (\$65,000); auditing services to support the External Audit, \$160,000 (\$165,000); and miscellaneous services for the Annual Meeting, \$180,000 (\$160,000).

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 1988 budget includes estimated income of \$740,000 from interest-bearing salary advances and discounts (\$680,000 in FY 1987). It provides \$120,000 for miscellaneous expenses of the Annual Meeting 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 1987 United Way Campaign (\$36,500); for the voluntary payment in lieu of tax for the Bretton Woods Recreation Center (\$32,000); and for the annual subscription to the Society for International Development (\$4,000).

CAPITAL BUDGET FOR FY 1988

FY 1988 CAPITAL BUDGET

In accordance with the Executive Board's discussion on the presentation of a capital budget in FY 1988 at EBM/86/186 (11/21/86), this section presents the capital budget proposal by project for Financial Year 1988. The proposal conforms with the format of Option 2 contained in EBAP/86/84 (4/9/86). The capital budget is a multiyear expenditure plan authorizing major investments in tangible assets and thus provides a comprehensive picture of planned expenditures for capital projects scheduled to begin in FY 1988. The introduction of separate administrative and capital budgets requires that expenditures in both budgets be clearly defined. In defining a capital project, emphasis was given to the concerns expressed by Executive Directors on the need to present major capital acquisitions in the capital budget, and thus provide a more accurate measure of recurring expenditures and their underlying trends in the administrative budget. Accordingly, the definition of a capital project included in the capital budget is broader than the strict accounting

definition of a capital asset for financial statement purposes.¹ The definition adopted for the FY 1988 Capital Budget minimizes the possibility of similar projects shifting from year to year between the administrative and capital budgets. The definition of a capital project is as follows:

A project is included in the capital budget if:

- (i) the majority of the project's costs are for the acquisition of capital assets, and
- (ii) the cost of individual capital items equals or exceeds \$100,000.

Based on this definition, the capital budget includes investments in land, buildings, building alterations, and furniture and equipment costing \$100,000 or more. On this basis, the proposed capital budget for FY 1988–FY 1990 includes nine projects totaling \$8.8 million, of which \$7.7 million is for building space facilities, and \$1.1 million is for EDP equipment systems. A draft decision by the Executive Board for the FY 1988 Capital Budget is on page 15.

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

	Total	FY 1988	FY 1989	FY 1990
I Building Space Facilities:				
A—Headquarters				
(1) Computer Center	3,623	3,550	73	—
(2) Two Lecture Rooms	700	350	250	100
(3) Helix Lift	150	150	—	—
(4) New Front Doors	110	110	—	—
Headquarters Total	<u>4,583</u>	<u>4,160</u>	<u>323</u>	<u>100</u>
B—Other Locations				
(1) International Square	2,350	2,350	—	—
(2) Concordia Apartments	590	590	—	—
(3) Bretton Woods Recreation Center	200	200	—	—
Other Locations Total	<u>3,140</u>	<u>3,140</u>	<u>—</u>	<u>—</u>
Building Space Total	<u>7,723</u>	<u>7,300</u>	<u>323</u>	<u>100</u>
II Equipment for EDP Systems:				
C—Computing:				
(1) IBM Systems	728	728	—	—
(2) Burroughs Systems	324	324	—	—
EDP Total	<u>1,052</u>	<u>1,052</u>	<u>—</u>	<u>—</u>
Capital Projects Total	<u>8,775</u>	<u>8,352</u>	<u>323</u>	<u>100</u>

¹These are defined in International Accounting Standard No. 16 as follows: "Property, plant, and equipment are tangible assets that: a) are held by an enterprise for use in the production or supply of goods and services, for rental to others, or for administrative purposes

and may include items held for the maintenance or repair of such assets; b) have been acquired or constructed with the intention of being used on a continuing basis; and c) are not intended for sale in the ordinary course of business."

I. Building Space Facilities

Capital investments for the construction, purchase, or alteration of office space, buildings, other structures, and building equipment systems such as heating, ventilation, and air conditioning are included in this expenditure group. Routine renovations and repairs that do not significantly change or expand the functional use or life of buildings or equipment are included in the administrative budget rather than in the capital budget.

The Building Space Facilities capital projects are subdivided into projects for headquarters, and projects for other locations including International Square, the Concordia apartments, and the Bretton Woods Recreation Center.

A—Headquarters Projects

Four capital projects at headquarters costing \$4.6 million are proposed to begin in FY 1988. These are the construction of a new computer center on the Concourse level (\$3.6 million), the alteration of two lecture rooms for the IMF Institute (\$0.7 million), the purchase and installation of lift equipment for the Helix (\$0.2 million), and the upgrading of the front doors (\$0.1 million).

Computer Center A request for authorization to construct a mainframe computer center was approved in FY 1987 by the Executive Board (EBM/87/30, 2/20/87). Beginning in FY 1988, costs for this project are included in the capital budget.

The computer center, which is expected to provide sufficient capacity for about 10 years, is estimated to cost \$3,973,000 including \$2,900,000 for construction costs, \$400,000 for architectural fees, \$200,000 for the creation of office space that will be used to operate the center, and \$473,000 in miscellaneous relocation costs. Approximately \$350,000 will be spent in FY 1987, with the large majority expected to occur in FY 1988 (\$3,550,000) and only a small amount in FY 1989 (\$73,000).

IMF Institute Lecture Rooms It is proposed to upgrade two of the IMF Institute lecture rooms (5-108 and 4-310) that have reached the end of their useful life. The lecture rooms have insufficient seating capacity, an inadequate and noisy ventilation system that interferes with the simultaneous interpretation, and an audio system that frequently malfunctions causing difficulties for the participants. The IMF Institute originally requested alterations to these lecture rooms in November 1985, but the improvements were deferred due to budget constraints. Two of the four lecture rooms at headquarters were previously upgraded in FY 1984 and FY 1986.

The proposed alterations to the two lecture rooms (one in FY 1988 and one in FY 1989/90) are estimated to cost \$700,000 (\$350,000 each) including \$40,000 for design, alterations, labor, and materials; \$196,000 for the audio systems, and \$464,000 for lighting, heating, ventila-

tion, air conditioning, and other furnishings. The direct benefits of this project are primarily non-financial, and can be summarized as improvements to the effective presentation and delivery of IMF Institute courses. The alterations and integrated audio systems are expected to provide satisfactory service for the next 10 to 15 years.

Helix Lift It is proposed to purchase equipment costing \$150,000 in order to complete the construction of a storage facility located in the center of the G Street Helix parking ramps. The project began in FY 1987 and was scheduled to be completed by year-end at a total cost of \$400,000 but the equipment will not be delivered until FY 1988, and its cost is included in the capital budget. The storage space will be used primarily for bulk supplies and other materials. These have previously been stored in elevator lobbies, corridors, and on the Concourse level and pose a hazard in the event of an emergency evacuation of the building. This equipment is expected to provide satisfactory service for 8 to 10 years.

New Front Doors The front doors of the headquarters building which have been repaired repeatedly over the past years and have now reached the end of their useful life. The proposed installation of new front doors will cost \$110,000 and is expected to provide satisfactory service for 15 to 20 years.

The installation of new doors will provide additional space as the second set of interior doors will be removed; this will allow for improved access and security control systems which are now required by building codes.

B—Other Locations' Projects

Three projects at other locations costing \$3.1 million are proposed to begin in FY 1988. These are alterations of additional leased space at International Square (\$2.4 million), alterations to the Concordia apartments (\$0.6 million), and improvements to the Bretton Woods Recreation Center (\$0.2 million).

International Square The Fund currently leases approximately 75,000 square feet of space at International Square, three blocks from headquarters, to provide office space for the Bureau of Language Services and the Bureau of Statistics (comprising 13 percent of the Fund's staff). Based on EBAP/87/61 (3/20/87), approved by the Executive Board on March 30, 1987, it is proposed to lease an additional 55,000 square feet of space on the 6th floor of International Square adjoining the Bureau of Language Services to relieve overcrowding at headquarters and to permit a minimal growth in personnel and automation equipment over the next two or three years. The total cost of the project is estimated at \$2,585,000, of which \$2,350,000 will be spent in FY 1988.

The direct benefits of this project are primarily non-financial and can be summarized as the initial outfitting of additional rental space prior to occupancy.

Concordia Apartments The Fund owns two adjacent apartment buildings containing 178 apartments (the Concordia/Bond complex) that are used to provide accommodation for the participants in Institute courses. Over the past three years, major alterations of the complex have been undertaken costing \$5,055,000. The residual costs of finishing the project in FY 1988 amount to \$590,000 and are for the completion of a new sprinkler system (\$200,000), the upgrade of the elevators (\$100,000), the upgrade of the smoke alarm and detection system (\$50,000), and the completion of interior construction (\$240,000).

Bretton Woods Recreation Center The Bretton Woods Recreation Center is located in Germantown, Maryland, about 21 miles from headquarters and provides recreation facilities for the benefit of staff, official guests, World Bank personnel, and individuals from other international organizations. The Center is leased and operated by the Bretton Woods Recreation Center, Inc., a non-profit corporation. The Fund has provided funding for capital improvements to the property in prior years. A recent survey has revealed that the Club House is no longer in compliance with applicable building and fire codes, and that certain alterations are required to bring the building back into compliance with the local regulations. The cost to the Fund for the necessary code alterations is estimated at \$200,000.

II. Equipment for EDP Systems

C-Computing

Purchases of equipment, associated software, and related costs of freight, installation, and inspection are included in this expenditure group.¹ The proposals totaling \$1.1 million in FY 1988 have been reviewed and approved by the Executive Committee on Computing Services, a senior staff committee chaired by the Deputy Managing Director.

IBM Equipment Systems Current IBM systems include a model 3081 mainframe computer and associated equipment and software which support the Economic Information System, the Treasurer's Integrated Financial System, the Administration Department's procurement system, and other systems. The proposed acquisitions for FY 1988 amount to \$728,000 and include funds for the purchase of disk subsystems (\$257,000) which are devices

that provide a communication link between the IBM mainframe and data storage devices; two mainframe printers (\$337,000) that are used for high-speed, high-volume, and high-quality reports; and special software (computer programs) for the planning and monitoring of IBM systems operations (\$134,000).

The disk subsystems will provide the capability for handling additional computer data storage necessary for the satisfactory operation of the DOT and other statistical systems, and for the expansion in FY 1988 of the Treasurer's Integrated Financial Systems and the Administration Department's procurement and budget systems. The useful life of this equipment is expected to be about 3 to 5 years.

There are currently two mainframe printers serving the IBM computer, one in the Bureau of Statistics and one in the computer center. In FY 1988 it is proposed to purchase a second printer for the Bureau of Statistics, and to replace the leased printer in the computer center with the purchase of an upgraded printer. The current output from the Bureau of Statistics is over 500,000 pages per month which exceeds the capacity of one machine, and another printer is needed to avoid processing delays. The purchase of a printer for the IBM computer center to replace the existing leased printer is also proposed based on the financial benefits. The useful life of this equipment is expected to be around 3 to 5 years.

The purchase of IBM software at an estimated cost of \$134,000 is proposed in order to provide the capacity to plan and monitor the performance of programs and applications on the IBM system.

Burroughs Equipment Systems Current Burroughs systems include a model A15 mainframe computer and associated equipment and software which supports the World Economic Outlook exercise, the economic analysis system known as RAL (Research Analysis Language), the Treasurer's Accounting Database, the payroll system, the Administration Department's personnel and budget systems, and other systems.

The Burroughs mainframe computer has one printer in the Concourse computer center for general use by all departments, bureaus, and offices that is currently leased at a cost of \$180,000 per year through FY 1991 at which time the printer will be owned by the Fund. The buyout of this printer for \$324,000 is proposed in FY 1988 based on the financial benefits of an immediate purchase versus the continuation of the lease arrangement. The remaining productive life of this printer is expected to be about 3 to 5 years.

¹ Bulk purchases of equipment that, individually, cost less than \$100,000 are not included in the Capital Budget in order to avoid any inconsistency in the treatment of such equipment that could occur based solely on the number of units acquired. Purchases of several

items that are a part of a single automation system, such as a mini-computer system with several integral parts, are included in the Capital Budget if the cost equals or exceeds \$100,000.

Administrative Budget for FY 1988

APPENDICES

APPENDIX I

1976-1986 ACTIVITIES OF THE FUND—SELECTED INDICATORS¹

(Other than financial transactions)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
1. Member Countries	129	132	138	140	141	143	146	146	148	149	151
2. Executive Board Sessions ²	180	197	226	209	207	190	211	203	202	206	235
3. Executive Board Decisions	629	621	675	679	671	622	520	614	606	607	677
4. Consultation Missions	88	92	89	95	95	87	107	129	123	135	142
5. Resident Representative and Advisor Positions ³	21	21	21	21	18	17	21	25	29	34	31
6. Number of Overseas Trips (A9 and Above Staff)	990	1,011	1,116	1,168	1,335	1,489	1,517	1,693	1,668	1,718	1,695
7. Documents Issued											
SM	243	298	308	295	282	244	249	269	281	345	311
EBS	545	485	720	640	284	251	244	276	271	292	286
EBD	253	260	283	327	350	337	323	340	327	332	340
EBAP	308	356	339	376	380	402	447	312	285	325	327
DM	119	129	117	97	84	95	91	87	80	83	63
ID	5	8	6	7	7	8	2	5	—	—	—
SUR	—	—	—	—	—	—	—	51	121	134	133
WPS	—	—	—	—	—	—	—	—	—	—	17
TR	24	52	70	51	30	3	1	—	—	—	—
8. Man-Years of Expert Assistance Provided											
Central Banking Experts	77.1	68.6	69.8	75.5	71.3	76.4	77.2	88.1	97.9	93.0	92.0
Technical Assistance Panel	16.4	26.0	26.2	24.5	24.5	28.5	31.5	32.3	28.7	28.0	23.0
	93.5	94.6	96.0	100.0	95.8	104.9	108.7	120.4	126.6	121.0	115.0
9. IMF Institute Participants Trained	222	243	245	231	295	300	423	412	446	424	481
10. Statistical Time Series Maintained (in thousands)	259	313	329	369	379	417	432	550	630	880	900

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 1977-FY 1987 ADMINISTRATIVE BUDGET EXPENSE TOTALS

FY	Original Budget			Original Budget Revised on Account of General Salary Adjustment			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
1977	70.0	9.5	15.7	72.7	8.0	12.4	72.2	8.3	13.0	72.3	8.5	13.3
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	246.2	-7.0	-2.8	247.6 (est.)	3.3	1.4	247.6 (est.)	3.3	1.4

¹Adjusted for retroactive general salary adjustments.

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

APPENDIX III

FY 1977-FY 1987 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE CATEGORIES

(Budget Categories as Percent of Total Budget)

Object of Expense	Financial Year											Percent Change FY 1987/77
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	
I. PERSONNEL EXPENSES												
A. Salaries	49.0	47.6	47.0	46.1	44.2	42.2	40.8	41.2	39.5	39.9	41.5	-15.3
B. Other Personnel Expenses	26.1	28.3	28.6	28.5	31.6	32.3	32.1	27.9	26.0	26.0	27.0	3.4
	75.1	75.9	75.6	74.6	75.8	74.5	72.9	69.1	65.5	65.9	68.5	- 8.8
II. TRAVEL EXPENSES												
C. Business Travel	7.2	6.4	6.0	7.5	6.8	7.4	7.3	6.8	6.1	6.5	5.7	-20.8
D. Other Travel	5.4	4.9	4.9	5.4	4.9	5.8	5.6	5.3	5.2	4.7	4.8	-11.1
	12.6	11.3	10.9	12.9	11.7	13.2	12.9	12.1	11.3	11.2	10.5	-16.7
III. OTHER ADMINISTRATIVE EXPENSES												
E. Communications	2.9	2.9	2.8	2.8	2.6	2.3	2.5	3.3	2.9	2.4	2.4	-17.2
F. Building Occupancy	2.8	3.2	3.6	2.9	3.4	3.2	3.5	4.5	4.5	5.9	5.5	96.4
G. Books and Printing	1.5	1.4	1.4	1.3	1.1	1.1	1.0	0.9	0.9	1.0	0.9	-40.0
H. Supplies & Equipment	1.9	1.6	1.8	1.6	1.6	2.1	2.6	2.2	2.0	2.7	1.6	-15.8
I. Data Processing	1.9	1.9	1.7	2.1	1.4	1.8	2.7	5.2	10.5	8.5	7.5	294.7
J. Miscellaneous	1.3	1.8	2.2	1.8	2.4	1.8	1.9	2.7	2.4	2.4	3.1	138.5
	12.3	12.8	13.5	12.5	12.5	12.3	14.2	18.8	23.2	22.9	21.0	70.7
TOTAL BUDGET	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

APPENDIX IV

FY 1977-FY 1987 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense	Financial Year											Percent Change FY 1987/77
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 (est.)	
I. PERSONNEL EXPENSES												
A—SALARIES												
EDs, Alternates and Advisors	1,586	1,622	1,794	2,078	2,560	3,352	3,753	4,293	4,325	4,727	4,840	205.2
Assistants to EDs	1,590	1,751	1,941	2,290	2,624	2,693	3,187	3,561	3,796	3,895	4,230	166.0
Staff	29,381	31,682	35,684	41,410	50,248	54,138	61,234	67,810	74,971	80,473	86,150	193.2
Secretariat of Dev. Committee	101	250	—	—	—	—	—	—	—	—	—	—
TA experts and consultants	2,744	2,979	3,332	3,857	4,639	6,044	6,466	7,616	7,618	8,038	7,480	172.6
Total	<u>35,402</u>	<u>38,284</u>	<u>42,751</u>	<u>49,635</u>	<u>60,071</u>	<u>66,227</u>	<u>74,640</u>	<u>83,280</u>	<u>90,710</u>	<u>97,133</u>	<u>102,700</u>	<u>190.1</u>
B—OTHER PERSONNEL EXPENSES												
Dependency allowances	1,481	1,471	1,485	1,688	2,527	2,691	3,076	3,281	3,324	3,381	3,500	136.3
Settlement allowances and grants	425	331	486	788	1,064	1,187	5,785	5,302	6,938	6,227	7,270	1,610.5
Overseas allowance	750	877	1,108	1,552	1,533	1,728	1,993	2,017	2,121	2,443	2,500	233.3
Children's education allowances	449	553	619	830	1,043	1,388	1,561	1,751	1,996	2,185	2,445	444.5
Study allowances and training	220	312	300	394	511	644	606	700	707	1,045	1,150	422.7
IMF Institute living allowances	434	434	430	513	587	641	710	752	718	795	830	91.2
Tax allowances	5,157	5,665	6,379	7,277	9,896	11,071	9,718	9,179	9,728	9,491	11,265	118.4
Retirement contributions	8,058	10,774	13,154	15,463	22,448	27,879	30,368	28,872	28,175	31,801	30,380	277.0
Termination incentives	209	121	122	116	681	510	492	918	905	1,073	1,995	854.5
Health benefits	1,220	1,750	1,467	1,536	1,870	2,518	3,301	2,918	3,882	3,942	4,495	268.4
Life insurance and death benefits	123	123	50	58	174	6	259	86	187	-23	110	-10.6
Social and welfare expenses	92	89	109	109	139	140	178	173	195	203	275	198.9
Food services	246	266	291	354	375	405	542	531	574	708	610	147.6
Total	<u>18,864</u>	<u>22,766</u>	<u>26,000</u>	<u>30,678</u>	<u>42,848</u>	<u>50,808</u>	<u>58,589</u>	<u>56,480</u>	<u>59,450</u>	<u>63,271</u>	<u>66,785</u>	<u>254.0</u>
Total Personnel Expenses	<u>54,266</u>	<u>61,050</u>	<u>68,751</u>	<u>80,313</u>	<u>102,919</u>	<u>117,035</u>	<u>133,229</u>	<u>139,760</u>	<u>150,160</u>	<u>160,404</u>	<u>169,485</u>	<u>212.3</u>
II. TRAVEL EXPENSES												
C—BUSINESS TRAVEL												
Meetings of Governors	1,629	871	766	2,138	1,293	1,888	2,512	1,284	1,358	3,546	1,520	- 6.7
Other business travel	3,534	4,297	4,657	5,885	7,947	9,749	10,914	12,394	12,330	12,394	12,500	253.7
Total	<u>5,163</u>	<u>5,168</u>	<u>5,423</u>	<u>8,023</u>	<u>9,240</u>	<u>11,637</u>	<u>13,426</u>	<u>13,678</u>	<u>13,688</u>	<u>15,940</u>	<u>14,020</u>	<u>171.5</u>
D—OTHER TRAVEL												
Settlement travel	2,413	2,054	2,484	2,976	3,559	4,193	4,558	4,280	4,698	5,180	4,960	105.5
Home leave travel	1,237	1,264	1,344	1,853	2,159	3,731	4,337	4,954	4,899	4,475	5,000	304.2
Miscellaneous travel	333	579	656	961	928	1,177	1,312	1,454	1,722	2,016	2,060	518.6
Total	<u>3,983</u>	<u>3,897</u>	<u>4,484</u>	<u>5,790</u>	<u>6,646</u>	<u>9,101</u>	<u>10,207</u>	<u>10,688</u>	<u>11,319</u>	<u>11,671</u>	<u>12,020</u>	<u>201.8</u>
Total Travel Expenses	<u>9,146</u>	<u>9,065</u>	<u>9,907</u>	<u>13,813</u>	<u>15,886</u>	<u>20,738</u>	<u>23,633</u>	<u>24,366</u>	<u>25,007</u>	<u>27,611</u>	<u>26,040</u>	<u>184.7</u>

APPENDIX IV (continued)

FY 1977-FY 1987 ADMINISTRATIVE BUDGET EXPENSES BY OBJECT OF EXPENSE ACCOUNT

(In thousands of U.S. dollars)

Object of Expense	Financial Year											Percent Change FY 1987/77
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 (est.)	
III. OTHER ADMINISTRATIVE EXPENSES												
E —COMMUNICATIONS												
Postage and freight	701	724	836	1,019	1,129	1,486	1,798	1,870	2,051	2,324	2,450	249.5
Telephone	622	785	797	985	1,127	1,173	1,808	3,832	3,579	2,410	2,060	231.2
Telegraph	776	794	914	995	1,226	948	946	1,021	1,122	1,261	1,350	73.9
Total	2,099	2,303	2,547	2,999	3,482	3,607	4,552	6,723	6,752	5,995	5,860	180.4
F —BUILDING OCCUPANCY												
Maintenance and operations	1,459	1,721	1,716	2,006	2,300	2,780	2,918	3,913	3,284	3,739	4,637	217.8
Utilities	724	1,019	1,009	989	1,355	1,601	1,782	2,139	2,595	2,537	2,442	237.2
Alterations	193	84	595	203	579	335	1,026	2,022	3,020	5,936	4,433	129.7
Rentals	(340)	(281)	10	(34)	348	399	657	1,006	1,398	2,338	2,213	n.a.
Total	2,036	2,543	3,330	3,164	4,582	5,115	6,383	9,080	10,297	14,550	13,725	574.1
G—BOOKS AND PRINTING												
Books and periodicals	220	298	312	389	484	504	631	666	623	740	785	256.8
Contractual printing	893	849	928	1,032	1,068	1,216	1,114	1,093	1,239	1,629	1,505	68.5
Total	1,113	1,147	1,240	1,421	1,552	1,720	1,745	1,759	1,862	2,369	2,290	105.7
H—SUPPLIES AND EQUIPMENT												
Purchase of furn. and equip.	433	316	457	442	544	1,203	2,612	2,326	1,955	3,999	1,832	323.1
Rental of equipment	454	461	526	570	765	855	887	456	542	633	557	22.7
Maintenance of equipment	71	119	160	126	226	354	458	632	572	446	371	422.5
Expendable supplies	376	406	487	524	679	837	833	1,044	1,262	1,607	1,195	317.8
Total	1,334	1,302	1,630	1,662	2,214	3,249	4,790	4,458	4,331	6,685	3,955	196.5
I —DATA PROCESSING												
Fund Computer Facilities	1,184	1,198	1,355	1,802	1,519	2,462	3,029	4,945	7,266	8,164	7,743	554.0
Contractual support	—	—	—	—	—	—	—	2,170	4,114	4,951	4,400	n.a.
Other data processing	169	338	174	426	422	406	1,879	3,413	12,461	7,639	6,487	283.8
Total	1,353	1,536	1,529	2,228	1,941	2,868	4,908	10,528	23,841	20,754	18,630	1,299.1
J —MISCELLANEOUS												
Representation	198	276	318	335	404	468	480	616	656	620	720	263.6
Insurance	192	182	393	539	355	401	444	398	424	543	855	345.3
Misc. contractual services	327	794	1,193	1,067	2,543	2,013	2,532	4,709	4,734	5,016	6,350	1,841.8
Sundries	257	189	122	47	(88)	(63)	12	(243)	(182)	(222)	(350)	n.a.
Total	974	1,441	2,026	1,988	3,214	2,819	3,468	5,480	5,632	5,957	7,575	677.7
Total Other Adm. Expenses	8,909	10,272	12,302	13,462	16,985	19,378	25,846	38,028	52,715	56,310	52,035	484.1
Total	72,321	80,387	90,960	107,588	135,790	157,151	182,708	202,154	227,882	244,325	247,560	242.3
Retroactive Adjustment ¹	-138	+45	-415	-246	-7,074	+8,200	—	—	-1,480	+1,480	—*	—
Officially Recorded Total	72,183	80,432	90,545	107,342	128,716	165,351	182,708	202,154	226,402	245,805	247,560	242.9

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.

*Amount too small to be accounted for separately in FY 1987.

APPENDIX V

FY 1977-FY 1987 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 87-77
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	
MANAGEMENT												
African ¹	7	7	8	6	6	6	7	7	7	6	7	—
Asian ²	83	85	87	88	92	100	103	109	113	117	117	40.9
European ³	65	61	58	58	59	61	61	62	61	61	61	-6.0
Middle Eastern ⁴	68	68	69	69	70	73	77	83	84	84	83	22.0
Western Hemisphere ⁵	40	40	42	43	45	45	45	45	45	45	44	10.0
	85	85	84	87	88	89	90	97	101	104	106	24.7
Area Departments												
Central Banking	341	339	340	345	354	368	376	396	404	411	411	20.5
Exchange & Trade Relations	22	21	21	21	21	21	22	23.5	23.5	24.5	24.5	11.4
Fiscal Affairs	67	68	70	71	72	78	83	88	90	90	91	35.8
IMF Institute	66	67	69	69	70	73	75	77.5	78.5	80.5	80.5	21.9
Legal	51	51	52	52	53	55	57	58	60.5	64.5	64.5	26.5
Research ⁶	32	32	32	32	33	34	34	34	34	34	34	6.3
Treasurer ⁷	69	69	70	70	72	74	77	80	82	83	84	21.7
	112	113	113	118	119	130	130	130	130	131	131	16.9
Functional & Special Service Departments												
External Relations ⁸	419	421	427	433	440	465	478	491	498.5	507.5	509.5	21.6
Bureau of Statistics ⁹	44	45	44	47	47.5	54.5	55	57	58	58.5	58.5	32.9
Office in Europe	94	95	95	95	97	99	102	107	111	112	116	23.4
Office in Geneva	13	13	14	14	14	15	15	15	15	15	15	15.4
Special Representative to UN	3	3	3	3	6	6	6	6	6	6	6	100.0
	2	2	2	2	2	2	2	2	2	2	2	—
Information, Statistics & Liaison												
Administration ¹⁰	156	158	158	161	166.5	176.5	180	187	192	193.5	197.5	26.6
Secretary's ¹¹	201	201	203	206	210	215	216	219	223.5	224.5	224.5	11.7
Bureau of Computing Services ¹²	81	81	81	82	83	85	87.5	89.5	95.5	99.5	100	23.4
Bureau of Language Services	62	62	63	65	65.5	65.5	64.5	66.5	73.5	74.5	71	14.5
Internal Auditor	94	91	91	91	96	100	100	100	100	100	100	6.4
Investment Office - SRP	6	6	6	7	7.5	7.5	7.5	7.5	8	8	8	33.3
	—	—	—	—	—	—	—	—	—	2	3	—
Support Services												
Resident Representatives & Advisors	444	441	444	451	462	473	475.5	482.5	500.5	508.5	506.5	14.0
Secretarial Staff	21	21	21	21	18	17	21	25	29	34	31	47.6
	8	7	8	7	18.5	20.5	21.5	21.5	27.5	27.5	28.5	276.5
Support Group												
	29	28	29	28	36.5	37.5	42.5	46.5	56.5	61.5	59.5	105.2
TOTAL	1,396	1,394	1,406	1,424	1,465	1,526	1,559	1,610	1,658.5	1,688	1,691	21.1

Note: In FY 1978 the Bureau 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 addition, Resident Representatives 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 77-78, -79, -80, -81, -82, -83, -84, -85, -86, -87, -88, -89, -90, -91, -92, -93, -94, -95, -96, -97, -98, -99, -00, -01, -02, -03, -04, -05, -06, -07, -08, -09, -10, -11, -12, -13, -14, -15, -16, -17, -18, -19, -20, -21, -22, -23, -24, -25, -26, -27, -28, -29, -30, -31, -32, -33, -34, -35, -36, -37, -38, -39, -40, -41, -42, -43, -44, -45, -46, -47, -48, -49, -50, -51, -52, -53, -54, -55, -56, -57, -58, -59, -60, -61, -62, -63, -64, -65, -66, -67, -68, -69, -70, -71, -72, -73, -74, -75, -76, -77, -78, -79, -80, -81, -82, -83, -84, -85, -86, -87, -88, -89, -90, -91, -92, -93, -94, -95, -96, -97, -98, -99, -00, -01, -02, -03, -04, -05, -06, -07, -08, -09, -10, -11, -12, -13, -14, -15, -16, -17, -18, -19, -20, -21, -22, -23, -24, -25, -26, -27, -28, -29, -30, -31, -32, -33, -34, -35, -36, -37, -38, -39, -40, -41, -42, -43, -44, -45, -46, -47, -48, -49, -50, -51, -52, -53, -54, -55, -56, -57, -58, -59, -60, -61, -62, -63, -64, -65, -66, -67, -68, -69, -70, -71, -72, -73, -74, -75, 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APPENDIX VI

FY 1977-FY 1987 INCREASES IN STAFF CEILINGS BY MAIN GROUPINGS OF ORGANIZATIONAL UNITS

Main Groupings of Organizational Units	Financial Year										Totals	
	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1977-87	1982-87
(A) Additional Positions ¹												
Management	—	1	-2	—	—	1	—	—	-1	1	—	1
Area Departments	-2	1	5	9	14	8	20	8	7	—	70.0	43
Functional & Special												
Service Departments	2	6	6	7	25	13	13	7.5	9	2	90.5	44.5
Information, Statistics, & Liaison	2	—	3	5.5	10	3.5	7	5	1.5	4	41.5	21.0
Support Services	-3	3	7	11	11	2.5	7	18	8	-2	62.5	33.5
Support Group	-1	1	-1	8.5	1	5	4	10	5	-2	30.5	22.0
TOTAL	-2	12	18	41	61	33	51	48.5	29.5	3.0	295.0	165.0
(B) Percentage Increase in Staff Ceiling ²												
Management	—	—	—	—	—	—	—	—	—	—	—	—
Area Departments	-0.6	0.3	1.5	2.6	3.9	2.2	5.3	2.0	1.7	—	20.5	11.7
Functional & Special												
Service Departments	0.5	1.4	1.4	1.6	5.7	2.8	2.7	1.5	1.8	0.4	21.6	9.6
Information, Statistics, & Liaison	1.3	—	1.8	3.4	6.0	1.9	3.9	2.7	0.8	2.1	26.6	11.9
Support Services	-0.7	0.7	1.6	2.4	2.4	0.5	1.5	3.7	1.6	-0.4	14.1	7.1
Support Group	-3.5	3.5	-3.5	30.3	27.4	13.3	9.4	21.5	8.9	-3.3	105.2	58.7
TOTAL	-0.2	0.8	1.3	2.9	4.2	2.2	3.3	3.0	1.8	0.2	21.1	10.8

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 1977-FY 1987 FINANCIAL TRANSACTIONS

	Financial Year										
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 (10 mos.)
	Number										
I. General Resources Account											
A. Member Countries at End of Period	130	134	138	140	141	145	146	146	148	149	151
B. Transactions in General Resources Account											
1. Stand-By Arrangements	19	18	14	24	21	21	27	26	24	18	21
2. Extended Arrangements	1	—	4	4	10	5	4	2	—	1	—
3. Purchases											
Reserve Tranche	10	11	16	17	19	39	37	82	17	3	12
Credit Tranche	22	32	30	51	73	62	75	114	94	87	71
Buffer Stock	—	—	2	5	—	—	14	5	—	—	—
Compensatory Financing	39	9	19	27	21	25	33	14	15	10	7
Extended Facility	2	2	8	11	19	30	23	30	9	7	4
Oil Facility	15	—	—	—	—	—	—	—	—	—	—
Total	88	54	75	111	132	156	182	245	135	126	115
4. Repurchases	91	212	432	665	744	700	472	479	837	990	1,090
5. Reconstitutions	93	75	41	1	9	—	—	—	—	—	—
6. Acquisitions ¹	—	—	—	—	—	18	90	187	235	270	268
7. Total Purchases, Repurchases and Reconstitutions (3. + 4. + 5. + 6.)	272	341	548	777	885	874	744	911	1,207	1,386	1,473
	In millions of SDRs										
8. Total Purchases	4,910	2,503	3,720	2,434	4,860	8,041	11,392	11,518	6,289	4,101	3,377
9. Total Repurchases	868	4,485	4,859	3,793	2,853	2,010	1,555	2,018	2,730	4,289	5,241
10. Reconstitution of SDRs from the General Resources Account	402	467	75	5	20	—	—	—	—	—	—
11. Acquisitions of SDRs for payment of charges ¹	—	—	—	—	—	24	162	330	953	1,550	713
12. Total Purchases, Repurchases and Reconstitutions (8. + 9. + 10. + 11.)	6,180	7,455	8,654	6,232	7,733	10,075	13,109	13,866	9,972	9,940	9,331
C. Total Quotas of Members at End of Period	29,217	32,346	39,011	39,017	59,606	60,685	61,060	89,236	89,302	89,305	89,988

¹Data not available before FY 1982.

APPENDIX VII (continued)
FY 1977-FY 1987 FINANCIAL TRANSACTIONS

	Financial Year										
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 (10 mos.)
	<u>Number</u>										
II. SDR Department											
A. Holders at End of Period											
1. Participants	120	122	137	140	141	144	146	147	148	149	151
2. Prescribed holders	1	1	1	6	10	12	14	14	14	14	16
B. Number of Transactions and Operations ¹											
1. Transactions with Designation	19	100	152	238	142	129	146	106	126	136	117
2. Transactions by Agreement	31	74	55	59	81	197	161	258	325	260	292
3. Operations ²	117	117	122	136	144	151	172	456	715	730	801
4. Transfers to and from the General Resources Account	686	717	781	1,002	1,365	1,279	974	1,246	1,255	1,338	1,469
5. Total Transfers (1. + 2. + 3. + 4.)	853	1,008	1,110	1,435	1,732	1,756	1,453	2,066	2,421	2,464	2,679
	<u>In millions of SDRs</u>										
C. Volume of Transfers ²											
1. Transactions with Designation	119	398	1,080	1,372	1,883	1,875	2,713	2,402	2,152	1,809	1,203
2. Transactions by Agreement	317	927	1,533	362	418	1,242	1,281	3,175	2,706	2,677	3,156
3. Operations	78	57	71	190	223	403	669	1,382	487	424	840
4. Transfer to and from the General Resources	1,317	3,201	2,674	3,152	9,712	5,453	6,307	15,708	10,357	10,724	8,600
5. Total Transfers (1. + 2. + 3. + 4.)	1,831	4,583	5,358	5,076	12,236	8,973	10,970	22,667	15,702	15,634	13,799
D. Cumulative SDR Allocations at End of Period	9,315	9,315	13,348	17,381	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.

²The amounts measured in this line are not equal to the volume of transactions measured in line B3, but rather conform with those presented in the Financial Statements of the SDR Department. The figures presented represent the value of net interest received by participants and prescribed holders in the SDR Department, and differs from line B3 by excluding the volume of net charges in the SDR Department. SDR interest received by the General Resources Account is reflected in line C4.

APPENDIX VIII
FY 1977–FY 1987 INCOME, EXPENSES AND RESERVES
(In millions of SDRs)

	Financial Year										1987 (10 mos.)
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	
Operational Income	774.6	839.6	753.3	614.2	882.3	1,788.9	2,045.3	2,792.0	3,482.1	3,029.5	1,915.4
Operational Expense	727.5	741.6	633.7	525.0	702.3	1,543.5	1,788.5	2,526.2	3,287.7	2,727.9	1,643.8
Net Operational Income	47.1	98.0	119.6	89.2	179.9	245.4	257.0	265.8	194.3	301.6	271.6
Net Administrative Budget Expense	60.8	65.9	68.6	81.3	98.9	142.4	164.9	188.9	224.4	220.5	159.5
Net Fixed Property Expense	0.1	—	—	0.3	1.3	11.4	15.5	3.9	0.5	0.4	—
Total Administrative and Fixed Property Expense	65.3 ^{1,2}	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	160.7 ¹
Net Income or Expense (—)	–18.2	27.5	46.2	3.1	80.1	92.0	65.4	73.1	–29.9	78.1	110.9
Reserves:											
General	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	365.6	476.5 ⁴
Special	320.9	348.4	394.5	397.6	477.7	569.7	635.1	708.2	678.3	756.5	756.5
Total	<u>686.5</u>	<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>1,233.0</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.

Administrative and Capital Budgets for FY 1988

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