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PROPOSALS FOR DRAFTING STAFF RULES  
AND REGULATIONS FOR THE AFRICAN DEVELOPMENT BANK  
A discussion paper

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## A B B R E V I A T I O N S

ADB	: African Development Bank.
ADB Agreement	: The Agreement Establishing the African Development Bank.
EEC	: European Economic Community.
EIB	: European Investment Bank.
IADB	: Inter-American <b>Development</b> Bank.
IBRD	: International Bank for Reconstruction and Development.
IDA	: International Development Association.
IFC	: International Finance Corporation.
ILO	: International Labor Office.
NATO	: North-Atlantic Treaty Organization.
OAU	: Organization for African Unity.
OECD	: Organization for Economic Co-operation and Development.
OECD Staff Reg.	: OECD Staff Regulations.
UN	: United Nations.
UN Staff Reg.	: United Nations Staff Regulations.
UN Staff Rules	: United Nations Staff Rules.
UNESCO	: United Nations Educational, Scientific and Cultural Organization.
WEU	: Western European Union.

PROPOSALS FOR DRAFTING STAFF RULES  
AND REGULATIONS FOR THE AFRICAN DEVELOPMENT BANK

(by the Executive Secretary)

I. INTRODUCTION

The present paper

1. The Committee of Nine, entrusted by the Conference of Finance Ministers to carry out the final work preparatory to the establishment of the African Development Bank<sup>1/</sup>, held its first session in Khartoum on 3 August 1963. It set out an immediate programme of work which included, among other things, consideration of draft staff rules and regulations for the African Development Bank.
2. The Committee felt that, in pursuance of its mandate, it should transmit to the first President of the Bank, for his consideration, detailed proposals concerning possible staff rules and regulations to be enacted in accordance with pertinent provisions appearing in the Agreement establishing the Bank. Consequently, it requested the Executive Secretary to assemble and prepare appropriate data and supporting material which could serve as guidance and assistance in the formulation of such proposals by the Committee.
3. The Executive Secretary has, to this end, collected the texts and related documents of staff rules and regulations adopted by other international institutions and organizations and prepared the present paper which is submitted to the Committee for consideration and further discussion, and formulation of more detailed policy lines.

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<sup>1/</sup> Resolution 3 on the Preparatory Work for the Establishment of the African Development Bank adopted by the Conference of Finance Ministers at its Final Plenary Session on 4 August 1963.

An international staff

4. "The President, Vice Presidents, officers and staff on the Bank, in discharge of their offices, owe their duty entirely to the Bank and to no other authority," proclaims Art. 38 (3) of the ADB Agreement; it proceeds: "Each member of the Bank shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties." This same Article prohibits interference by the staff in the political affairs of any member of the Bank and enjoins them to take their decisions solely on the strength of economic considerations. The Article is, if not in its language, certainly in its substance very similar to corresponding provisions in the constituent instruments of most principal world-wide or regional international organizations (see also Art. 37 (5); cf. IBRD, Arts. IV (10) and V (5) (c); IFC, Arts. III(3) and IV (5) (c); IDA, Arts. V (6) and IV (5) (c); IADB, Art. VIII (5) (d) and (f); EIB, Art. 13 (8); cf. also UN Charter, Art. 100; OECD Convention, Art. II (2); OAU Charter, Art. 18 (2) ).

5. As in the case of the other organizations, the intention of these provisions in the ADB Agreement is to ensure that the Bank should be independent in the pursuit of its purpose (Art. 1) and should, for the performance of its tasks, dispose of a staff appointed, organized and employed - subject to the requirements imposed on it as a specifically African institution - according to the principles of an international civil service. Such principles, it will be recalled, are distinct from those which govern employment both in a private financial institution and in a national civil service.

6. The international civil servant serves, not one sovereign state of which he is a national, but an inter-governmental organization. As regards his career, the main difference from a well established civil service is that an international civil servant, who is often an "expatriate", may have a reasonable prospect but has not the security of a lifelong tenure with the organization he serves and, moreover, that if he desires, he may resign from service earlier than the national civil servant. The main difference as compared with private employment governed by rules of the civil law of contract, is that whether he is appointed by a unilateral letter of appointment (as, for instance, in the United Nations or the OECD) or by virtue of an exchange of letters

(as, for instance, in the International Labour Office), the terms and conditions of his employment are determined, not by the document appointing him, but (owing to a general clause of reference in that document) by statutory acts of the organization he serves which may change from time to time. (The changes introduced must not, however, prejudice his actually acquired rights - see UN Staff Reg. 12. 1). Altogether, such employment may be broadly described as a quasi - contractual relationship with statutory elements of a public law nature.

#### Staff regulations and staff rules of the bank

7. Among the statutory acts in question the Staff Regulations are the most important. They contain the basic conditions of service of the staff; set out their basic rights, duties and obligations; and lay down the general principles for recruitment and staff policy. It is to such Regulations that the ADB Agreement refers when it states that the President shall appoint and release the staff "in accordance with regulations adopted by the Bank" (Art. 37. (2) ). The staff regulations are fully binding but, where required, they are made specific by Staff Rules and/or general instructions made by the chief executive officer of the organization. As regards the Bank, the ADB Agreement provides that the president is chief of its staff; responsible for its organization as well as for fixing "the terms of their employment in accordance with rules of sound management and financial policy" (ibidem). These terms should be defined in the Staff Rules.

8. The purpose of the present paper is to outline the main problems that should be resolved in the Staff Regulations and Staff Rules of the Bank: the basic duties and privileges of staff members; the classification of staff and its grading system, the structure of salaries, allowances and other benefits; the principles of recruitment; the different types of appointment. The paper contains, too, a number of suggestions as a basis for discussion by the Committee of Nine. In the case of the first subject, i.e. basic rights, duties and obligations, the suggestions are advanced in form of Draft Regulations. With few exceptions, it has been not possible at this stage to follow this method with regard to other subjects: the drafting of the texts depends on decisions of principle or policy which the Committee of Nine will take upon its examination of the present paper.

On the basis of their findings a more detailed text of Draft Staff Regulations and Staff Rules for the Bank could then be proposed. This will also deal with certain more technical issues (leave, sickness and invalidity, disciplinary measures, disputes etc.) which have been disregarded for the time being.

9. Final proposals concerning staff rules and regulations for the African Development Bank will be submitted by the Committee to the President of the Bank. On the basis of these proposals the President would elaborate the Staff Regulations which he would submit to the Board of Directors at an early meeting for approval. That Board would be empowered to approve them on the assumption that - as in the case of the other international financial agencies - the Board of Governors will authorize the Board of Directors to exercise all powers of the Bank except where the ADB Agreement expressly provides otherwise and, in particular, to adopt such rules and regulations as may be required for the conduct of the business of the Bank (cf. IBRD By-laws, ss 15 and 16; IFC By-laws, ss 15 and 16; IDA By-laws, ss 5 and 6; IADB By-laws, ss. 4 and 8). The President can issue the Staff Rules under his own authority conferred on him under Art. 37 (2) of the ADB Agreement.

#### The value of precedent

10. Two further points require special mention. First, the value of precedent. Not only are Staff Regulations and Staff Rules of existing international and regional organizations - particularly Regulations concerning the basic rights, duties and obligations - often strikingly alike, but they embody valuable experience which occasionally goes back for more than forty years. The adoption of similar rules and regulations, especially similar to those of the United Nations, OAU, IBRD or IADB, presents to the Bank the double advantage of rendering staff administration easier in practice (e.g. as regards recruitment, detachments, transfers etc.) and of contributing to the development of common standards in international and regional administration.



11. At the same time, there are obviously limitations to the value of precedent. In the first place, the fact that the Bank is a regional institution solely concerned with the development of Africa may impose special rules and regulations. Secondly, as compared with the United Nations or the IBRD, the Bank will be a small organization at least for some years to come. Most of its staff will have a common African background. Its tasks will be limited to the economic and social fields. It may therefore need certain rules different from those that apply in other, non-African, organizations. On the other hand, it need not have rules or procedures whose complexity is caused by the complexity or variety of tasks facing the organizations for which they are made.

## II. THE STAFF OF THE BANK

### Some considerations

12. While specific terms of employment (e.g. working hours; salary scales; allowance systems; leave entitlement; sickness, invalidity or retirement benefits) show significant variations as between the different existing international organizations, and particularly between the world-wide organizations on the one hand and European regional institutions on the other, discrepancies in definitions of the basic rights, duties and obligations that apply to their staffs are not substantial. The value of precedent in this respect is evident. For these definitions are at the very root of the concept of an international civil service.

13. Before, however, such definitions are suggested for the Bank, the structure of its staff must be explored. It will be recalled that the ADB Agreement uses different expressions in this respect: the phrase "officers and staff" occurs in Arts. 4, 37 (2), 38 (2) and (3); "officers and employees" and "experts and consultants" in Art. 56; "officers and other professional staff" in Art. 57 (2); and "officials" in Art. 59. In none of these cases do the expressions used include the President and Vice-President(s) of the Bank.

#### Regular staff

14. It seems clear that, basically, the Bank will require a staff on whose permanent and undivided loyalty it can rely and who, after a probationary period, will make their working life a career with the Bank. In accordance with IBRD, IFC and IDA practice, they may be referred to as the regular staff of the Bank. In the United Nations "regular" appointments apply to staff members in the General Service (i.e. clerical and secretarial and office staff) and manual workers categories, while "permanent" appointments exist only for directors, principal officers and professional officers (UN Staff Reg. 4.5; UN Staff Rule 104.13). But in both cases - IBRD and the United Nations these career appointments can be terminated if - as the UN Staff Regulations say - "the necessities of the service require the abolition of the post or reduction of the staff" (United Nations Staff Reg. 9.1). Thus, as was pointed out before, the security of tenure in the international civil service is not the same as with a well-established national service.

#### 1. Fixed-term and indefinite appointments

15. However, the Committee of Nine may consider it inadvisable for the Bank to embark from the outset, before its services are fully organized and its definitive establishment determined, on a policy of large-scale regular appointments. It is more likely that in fact the Bank, at the beginning, will be constrained to employ a considerable number of staff on a temporary basis - some of it detached or seconded by other organizations or by governments; others in age groups unsuitable for regular appointments; others, again, recruited outside the member countries. It may even be in the interests of the Bank to continue to employ to a certain extent, such staff even after its initial period of activities is completed.

16. In conformity with United Nations, IBRD, IFC and IDA practice, such appointments may be made either as :

- (a) Fixed term appointments, i.e. assignments for a specified period of time, one year or more in duration. (In the United Nations, they are subject to a maximum period of five years - UN Staff Rule 104.12 (b); ) or as

- (b) Indefinite appointments, which may be terminated by either party subject to a specified period of notice (cf United Nations Staff Rules 104.12 (c)). In the IBRD, such appointments are called "temporary" and are subject to a maximum duration of one year.)

17. In addition, even after the complete consolidation of the services of the Bank there will remain a need for special short-term staff working, for instance, at meetings of the Board of Governors, conferences held under the auspices of the Bank or on short-term missions "in the field". Thus, in the United Nations, special staff rules exist for staff members engaged "on short-term appointment for conference and other short-term service, for a period not exceeding six months."

2. Regular staff and retirement benefits

18. Staff with regular, fixed-term or indefinite appointments may be, together, described as the regular staff of the Bank. Short-term staff would not be part of it. The distinction between regular and other staff of the Bank, on the other hand, will be of primary importance when the Bank proceeds to establish its staff pension fund. This is why regular appointments will have to be made within certain age limits. (With the IBRD, IFC and IDA they are 18 to 50 years; 50 years is the upper age limit for regular and permanent appointments with the United Nations.) Should the Bank, as most international organizations have done, establish a staff provident fund at the beginning, holders of fixed term or indefinite appointments could participate in it together with the regular staff though, in order to be effective, a minimum participation of one or two years may be required. As they would not participate in a staff provident fund and as their taxation position may be different, short-term staff would enjoy, comparatively, higher rates of pay.

3. "Officers"

19. In view of this structure of the regular staff, the use of the terms "officer" or "official" which occur in the ADB Agreement (see para. 11 above), cannot depend on the nature of the appointment.

They cannot have the meaning of lifelong security of tenure as they might in a national civil service. For such security of tenure does not exist, as the predominant form of appointment, in an international service. It is therefore suggested that the term "officer" should apply to all regular staff (i.e. staff serving under regular, fixed-term or indefinite appointments) in all grades excepting either (i) grades appertaining to the manual workers category; or (ii) grades appertaining to that category and to the general service (clerical, secretarial and office staff) category. The difficulty of drawing a distinction lies in the fact that, as compared with the French term "fonctionnaire", there is an emphasis on a higher grade in the English term "officer". On the other hand, in view of the meaning and object of the provision where it occurs, the term "official" (again, "fonctionnaire"), as used in Art. 59, must be taken to embrace all staff of the Bank.

#### Special appointments

20. It has been suggested that staff serving under regular, fixed-term or indefinite appointments should be considered as the regular staff of the Bank. Short-term staff (see para. 15 above) would serve under a special appointment. A further group would come within this special class. As Art. 56 of the ADB Agreement makes it clear, "experts and consultants" of the Bank are neither its "officers" nor its "employees". They are working on intermittent or short-term assignments to aid or supplement the staff by providing specialized knowledge or experience. The staff regime as such cannot apply to them though, as will be explained further on, most of their basic rights and obligations are, with some modification, similar to those of the regular staff; moreover, some of the terms of employment of some of them should be assimilated to those of the regular staff. (see para 57 below).

21. Finally, it should be mentioned that various international agencies - among them IBRD, IFC and IDA - provide special trainee appointments for assignments to participate in a training programme of the agency concerned. They too may have to be provided for in the Bank in due course.

### III. PROPOSALS FOR STAFF REGULATIONS

#### Purpose and scope

22. The purpose and general ambit of the Staff Regulations and Staff Rules has been indicated at the beginning of this paper (see paras. 4 to 6 above). Some international organizations, as for instance the OECD, have separate sets of regulations for different groups of staff: established staff, auxiliary staff, experts and consultants etc. Some others, like the IBRD, IFC and IDA, content themselves to have, instead of a series of legal rules, a statement of broad principles relating to duties and obligations of staff members, recruitment and appointment, salary administration, termination policy etc. The United Nations, on the other hand, has single Staff Regulations the provisions of which apply to the whole of its staff while separate Staff Rules exist for the general staff (i.e. staff serving under permanent, regular, probationary, fixed-term or indefinite appointments), for short-term staff, and for technical assistance project personnel. Consultants and experts of the United Nations are considered as independent contractors outside its staff regime.

23. It is suggested that the Committee of Nine should examine the relevant problems discussed in this paper with the adoption of a system alike to that of the United Nations in view. The Staff Regulations of the Bank should apply to all its regular and short-term staff (see paras. 15 to 18 above) but not to its experts and consultants whose status should be the subject of special regulations (see para. 56 below). Nor should they apply to the President or Vice-President(s) who are not members of the "staff" (see para. 13 above).

24. The Staff Regulations should deal with the basic conditions of service for the regular and short-term staff; set out their basic rights, duties and obligations, and lay down the general principles for recruitment and staff administration policy in conformity with which, as provided in Art. 37 (2) of the ADB Agreement, the President should issue the required Staff Rules. The advantage of this solution lies in that it provides a broad and durable basis on which the staff and its service can be organized and a framework within which the President can fix the terms of employment while it preserves for him the power and all required flexibility to make and adjust rules in the light of changing circumstances.

25. If such a solution were to commend itself to the Committee, the following draft of Chapter 1 (Regulations 1.1 and 1.2), with some Notes thereto, may serve it as basis for discussion.

## CHAPTER I.

## PURPOSE AND SCOPE

Regulation 1. 1

These Regulations contain the basic conditions of service of officers, employees and other staff (all this staff hereinafter being referred to as "staff members") of the African Development Bank. They set out the basic rights, duties and obligations of staff members, and lay down the general principles for recruitment and staff administrative policy of the African Development Bank (hereinafter called the "Bank"). As chief of the staff of the Bank, the President shall, in conformity with these Regulations, make and enforce such Staff Rules as he may deem necessary for the organization of staff members and the current business of the Bank.

Notes:

1. Cf. Preambles to the United Nations Staff Regulations and the OECD Staff Regulations.
2. The expressions "officers and staff" occurs in Arts. 4, 37 (2), 38 (2) and (3), "officers and employees" in Art. 56, "officials" in Art. 59 of the ADB Agreement. The expression "staff members" does not include the President and Vice-President(s) of the Bank.
3. That the President is "chief of the staff" and responsible for its "organization" and the despatch of current business is provided in Art. 37 (2) of the ADB Agreement.

Regulation 1. 2

Unless their text provides otherwise, these Regulations shall apply to all staff members, but not to experts or consultants, of the African Development Bank.

Notes:

As to the definition of the term "staff member" see Regulation 1. 1 and also paras 15 to 18 and 23 of the present paper.

Rights, duties and obligations

26. As has been pointed out before (see paras. 7 to 9 and 12 above), legal provisions of the existing international organizations relating to the basic rights, duties and obligations of their staff show little difference in substance. It is therefore suggested that the Committee should consider the following draft of a Chapter II of the Staff Regulations of the Bank, based on existing texts adapted for the requirements of the Bank, as a basis for discussion. It has been supplied with Notes which, in particular, contain references to United Nations Staff Regulations as well as suggestions for the Staff Rules of the Bank.

CHAPTER II.

RIGHTS, DUTIES AND OBLIGATIONS

Regulation 2.1

Being servants of an institution common to all African countries, the duties of staff members are not national but exclusively international.

Notes:

1. Cf. Preamble to, and Art. 38 (3) of the ADB Agreement; United Nations Staff Reg. 1.1; OECD Staff Reg. 2 (a).
2. The Regulation lays down not only that the duties of staff members are international in character but also, by implication, that staff members are governed by the general principles of the law relating to the international civil service.
3. The Regulation is further developed in Regulation 2.4 which deals with the independence and impartiality of staff members.

Regulation 2.2

Staff members owe their duty entirely to the Bank and to no other authority. They shall carry out their functions and regulate their conduct with the interests of the Bank only in view.

Notes:

1. As to the first sentence of this Regulation, cf. Art. 38 (3) of the ADB Agreement; as regards the second sentence, cf. United Nations Staff Reg. 1.1 and OECD Staff Reg. 2 (c).



2. The considerations underlying this provision may be summed up as follows: The first sentence of the Regulation shows that, in his service, the staff member owes undivided loyalty to the Bank. The latter is in general not concerned with his private activities, so long as his conduct does not reflect adversely on the Bank. It is because of this qualification that the Bank may demand that the staff member is not only honest in fact, but beyond the reach of suspicion of dishonesty; that he does not subordinate his duty to his private interests; put himself in a position where his duty and his interests conflict, or allow suspicion to arise that he has abused his position. If it were otherwise, the reputation of the Bank may suffer and its usefulness might be impaired. These principles are further developed in Regulations 2.5 to 2.8.

Regulation 2.3

Staff members shall be subject to the authority of the President who may assign them to any activities of the Bank. They shall be responsible to him alone in the exercise of their duties and for the observance of all rules and regulations of the Bank. The time of the staff members shall be at the disposal of the President. He shall establish the normal working week and working hours for the Bank.

Notes:

1. Cf. ADB Agreement, Art. 37 (2); UN Staff Reg. 1.2; OECD Staff Reg. 2.(a).
2. The Staff Rules should provide that staff members perform their duties in accordance with the general or specific instructions issued by appropriate officers of the Bank to whom the President's authority has been properly delegated.
3. While a national or international civil servant is detached or seconded to the Bank, he is, in the exercise of his duties, solely responsible to the President and, generally, to the Staff Regulations and Staff Rules of the Bank. The President should ensure that, for the period of secondment, the staff member concerned should be fully subject to these rules and regulations.

4. The Staff Rules may provide that the President can, subject to qualifications, loan the services of a staff member to another international organization or a member government (cf United Nations Staff Rules 101.5; OECD Reg. 10 (d)).
5. The Staff Rules should provide for the normal working week and working hours of the Bank at its principal office, branch offices or agencies; for official holidays that will be observed; and, as a staff member may, under Regulation 2.3, be required to work in excess of the normal hours, for the conditions under which he may be entitled to compensation payment for overtime. They should also determine the procedures according to which staff members may be transferred to another post of office or agency of the Bank (cf. United Nations Staff Rules, 101.2 to 101.4).

Regulation 2. 4

In the performance of their duties, staff members shall neither seek nor accept instructions from any government or from any other authority external to the Bank. They shall not interfere in the political affairs of any member country of the Bank; nor shall they be influenced in their decisions by the political character of the member country concerned. Only economic considerations shall be relevant to their decisions. They shall weigh such considerations impartially in order to achieve and carry out the functions of the Bank.

Notes:

1. Cf. ADB Agreement, Art. 38 (2) and (3); OAU Charter, Art. 18 (1) United Nations Staff Reg. 1.3; OECD Staff Reg. 2 (6).
2. This Regulation gives expression - in language used in the ADB Agreement, the OAU Charter, and the constitutional instruments of other international organizations - to two basic principles underlying the status of an international civil servant: independence and impartiality. It is, thus, a development of Regulation 2. 1. That the basic principles must be reflected not only in the official actions of a staff member, but in his whole conduct is developed in Regulations 2.5 to 2.8.

3. Independence requires that, in order to ensure his complete loyalty to the Bank, the staff member should be free from undue influence by all external authorities including that by his own government. The corresponding obligation of all member governments to refrain from influencing staff members is contained in Art. 38 (3) of the ADB Agreement.

#### Regulation 2. 5

Staff members shall conduct themselves at all times in a manner befitting their status as international servants of the Bank. They shall not engage in any activity that is incompatible with the proper discharge of their duties and shall avoid any action and, in particular, any kind of public pronouncement which may adversely reflect on the Bank or their status, integrity, independence or impartiality.

#### Notes:

1. Cf. OAU Charter, Art. 18 (1); United Nations Staff Reg. 3 (b).
2. This Regulation develops, in general language, Regulation 2. 2 which requires that staff members should "regulate their conduct with the interests of the Bank only in view". Specific application of that principle is contained in Regulations 2.5 to 2.8 and in the Staff Rules.
3. Though Regulation 2.5 is directly binding, it is desirable, in view of the generality of its language, to formulate and lay down (in addition to Regulations 2.6 to 2.8) certain specific rules of conduct for the staff providing for certain recurrent situations. For the rest, the staff member must be expected to use his good judgement to conform with the language and spirit of the Regulations concerned (cf. IBRD Staff Manual, Policies and Procedures, Statement No. 1 (1)). Thus it may be suggested that the Staff Rules for all, under regular, fixed-term, or indefinite appointments should provide that:

(a) A staff member shall not engage in any continuous or recurring outside occupation or employment without the prior authorization by the President;

(b) A staff member shall not be actively associated with the management of, or hold a financial interest in, any business undertaking if it were possible for him to benefit therefrom by reason of his service with the Bank;

- (c) A staff member shall conduct the personal financial affairs of himself and his family, particularly his or their security transactions, in such a way as to avoid any reasonable basis for interpreting his actions as attempts to profit from his association with the Bank or from special knowledge acquired by him as a result of such association;
  - (d) Whenever a staff member shall have any direct or indirect personal interest in any matter known by him to be under consideration by the Bank, he shall notify the appropriate officer of the Bank;
  - (e) A staff member should avoid any action which is inconsistent with any state's currency exchange regulations; and
  - (f) A staff member shall not except in the normal course of his duties or with the prior authorization by the appropriate officer of the Bank, where the act concerned related to the purpose, activities or interest of the Bank:
    - (i) Issue statements to the press, radio or other agencies of public information;
    - (ii) Accept speaking engagements;
    - (iii) Take part in film, theatre, radio or television productions; or
    - (iv) Submit articles, books or other material for publication.
4. These suggestions for the Staff Rules of the Bank are primarily based on United Nations Rule 101.6 and IBRD Statement No. 1 (2) in its Administrative Manual. With appropriate modifications and adaptations, they may be made to apply to short-term staff of the Bank and to its experts and consultants.
5. In certain organizations - for instance in the EEC - a staff member must notify any gainful occupation professionally pursued by his spouse. In such cases, his organization may, in certain circumstances, transfer him to another post or even terminate his employment.
6. The Staff Rules may furthermore provide that members of the regular staff of the Bank shall, at the taking up of their duties, subscribe before the President or his authorized deputy the following oath or solemn declaration.

"I solemnly swear (undertake, affirm, promise) to exercise in all loyalty, discretion and conscience my functions as a servant of the African Development Bank, to discharge these functions and regulate my conduct with the interests of that Bank only in view, and not to seek or accept instructions in regard to the performance of my duties from any government or other authority external to that Bank."

(Cf. United Nations Staff Regulations 1.9 and 1.10).

Regulation 2.6

Staff members shall exercise the utmost discretion with regard to all matters relating to the activities of the Bank. Except in the performance of their duties, they shall not disclose any unpublished information known to them by reason of their position with the Bank unless authorized to do so by the President. Nor shall they at any time use such information to private advantage. These obligations shall continue after termination of their service with the Bank; thereafter former staff members shall not otherwise act in such a way as to cause embarrassment to the Bank.

Notes:

1. Cf. United Nations Staff Reg. 1.5; IBRD Statement No. 1 (2) (b) and (j) and (3); OECD Staff Reg. 4.
2. This regulation is not intended to prevent staff members from undertaking outside activities such as lecturing, writing or teaching on subjects related to the work of the Bank. Indeed, activities of this kind may be encouraged provided always that they are undertaken with appropriate authorization (cf. Note 3 (f) to Regulation 2.5). If payment is offered for such activity, its acceptance should be subject to authorization. In the IBRD the following principles are applied in this respect:
  - (a) Staff members should not be compensated for an activity which concerns primarily the work of the Bank nor for an activity which is substantially similar to their own activities in the Bank; and
  - (b) In other cases, staff members may accept reimbursement of expenses or fees etc. provided the activity and preparation thereto is undertaken outside normal working hours.

3. Unless there is a Staff Pension Fund under the regulations of which benefits may be reduced or stopped in case of a violation of the provision contained in the last sentence of this Regulation, it may not be easy to enforce that provision after termination of employment. There is, however, the possibility of an action for damages in an ordinary court. Certain staff regulations - among them those of the EEC, and WEU - restrict the right of a staff member to take up other employment without authorization during a certain period (two or three years) after termination of service and, in particular, prohibit the disclosure of information after the termination of employment (cf. Art. 214, Treaty Establishing the European Economic Community).

#### Regulation 2. 7

No staff member shall accept any honour, decoration, gift, remuneration or favour from any government except that, with prior written authorization by the President, he may accept a medal, decoration or similar honour for past services not connected with his employment by the Bank; nor shall a staff member accept any honour, decoration, gift, remuneration or favour in any shape from any source external to the Bank without obtaining the written authorization by the President. Authorization shall be granted in exceptional cases only and where it is not otherwise incompatible with these Regulations.

#### Notes:

1. The text of this Regulation is inspired by United Nations Staff Reg. 1.6; IBRD Statement No. 1 (2) (g) and (i); OECD Staff Reg. 3 (a).
2. The prohibition to accept honours etc. from any government is absolute - except where they are awarded for past services. Under the second part of the Regulation the President may authorize the acceptance of an honorary university degree, which is not a government honour, or of a small memento of hospitality if otherwise embarrassment would be caused to the Bank. It might be advisable for the President to provide in the Staff Rules that a staff member should immediately report any hospitality in fact accepted by him in the course of performance of official duties.

Regulation 2. 8

Staff members are not expected to give up their national sentiments or their political and religious convictions. They shall, however, abstain from all political activity which is inconsistent with, or might reflect upon, the independence or impartiality required by their status as staff members of the Bank. They may exercise the right to vote.

Notes:

1. Cf. United Nations Staff Regs. 1.4 and 1.7; IBRD Statement No. 1 (2) (c) and (d); OECD, Staff Reg. 3 (b).
2. It is suggested that the Staff Rules may provide that
  - (a) Membership in a political party and payment of a normal contribution to such a party are permitted under this Regulation provided membership does not entail any activity contrary to the Staff Regulations and, in particular, Regulations 2.2, 2.5 and 2.8 (cf. United Nations Staff Rules 101.8 and 301.5) but that, on the other hand,
  - (b) The status of a staff member is incompatible with an office of a political character - local, national or international (cf. OECD Staff Reg. 3 (c); and that
  - (c) To become a candidate for such an office, a staff member shall require the prior authorization of an appropriate officer of the Bank.

Regulation 2. 9.

All rights - including title, copyright, and patent rights - in any work produced by a staff member as part of his duties shall be vested in, or assigned to, the Bank unless such rights are waived in writing by the President in favour of the staff member concerned.

Notes:

Cf. OECD Staff Reg. 4 (b). The text is self-explanatory and is of considerable practical importance nowadays.

Regulation 2.10.

Immunities, exemptions and privileges attached to the Bank by virtue of the provisions of Chapter VII of the Agreement establishing that Bank or otherwise, are conferred in the interests of the Bank and not in the interests of the staff member concerned. They do not excuse the staff members from the performance of their private obligations or failure to observe laws or police regulations. In any case where they arise, the staff member shall immediately report to the President with whom alone it shall rest whether they shall be waived.

Notes:

1. Cf. Chapter VII and, in particular, Arts. 56, 57 and 59 of the ADB Agreement; United Nations Staff Reg. 1.8; OECD Staff Reg. 5.
2. The President should, in the Staff Rules, determine the categories of staff members ("officers" and "employees", "professional staff", "experts", "consultants", "officials") to whom corresponding immunities, exemptions and privileges shall apply. Under Art. 59 of the ADB Agreement, the President has the right and duty to waive the immunity of any staff member where the immunity would impede the course of justice and can be waived without prejudice to the interests of the Bank. (See in this connection, para. 19 of the present paper).

Classification of posts and staffA. The powers of the President

27. The regulations of the existing international organizations recognize that it is for the chief administrative officer concerned to provide for the classification of posts and staff in their services. He is, however, required to proceed in conformity with principles laid down by one of the principal organs of his organization (cf. United Nations Staff Reg. 2.1); subject to its general control or direction (cf. IBRD, Art. V (5) (b); IFC Art. IV (5) (b); IDA, Art. VI (b); IADB, VIII (5) (a); or with its specific approval (OECD Staff Reg. 15 (a) ).
28. In this respect the ADB Agreement accepts, without qualification, full authority of the President who is "responsible for the organization of the officers and the staff" (Art. 37 (2) ). The organization must, however, correspond to the general structure of the services of the Bank which is for the Board of Directors to determine (Art. 32 (f) ).



29. Thus, the classification of posts and staff should be provided for, not in the Regulations, but in other Rules - the grading system, in the Staff Rules. The Regulations should only contain a general authority for the President to proceed in conformity with the provisions of Arts. 32 (f) and 37 (2) of the ADB Agreement. The provision might, it is suggested, read as follows:

### CHAPTER III.

#### CLASSIFICATION OF POSTS AND STAFF

##### Regulation 3.1

In conformity with the general structure of the services of the Bank, the President shall provide for the classification of posts and staff according to the nature of the duties and responsibilities required.

30. In the following paragraphs it is proposed to examine the classification of staff according to categories, grades and steps existing in other international organizations and, as a result of the comparison, to advance, as a basis for discussion by the Committee, suggestions for the classification system of the Bank - having particularly in mind its requirements at the outset of the Bank.

##### B. Categories and Grades

31. The grading system for the posts and staff of the United Nations<sup>1/</sup> consists of four categories. Placed under the Secretary-General and the Under-Secretaries (that is, in terms of the Bank, under the "Management") there are (the highest number indicating the highest grade within each category):

1. Directors and Principal Officers: two grades: D2 and D1
2. Professional Officers: five grades: P5 to P1
3. General Service: seven grades: G7 to G1
4. Manual Workers: six grades: M6 to M1

<sup>1/</sup> The Administrative Manual for IBRD, IFC and IDA discloses only the grading system for their clerical, secretarial and service staff (see Statement No. 7 (3)).

D1 (A6): Principal Officer:

An officer who is responsible directly to the President or Vice-President but who is in charge of an operational or administrative service which is not a Department nor part of a Department, or who has an equivalent responsibility to Management.

P5 (A5): Head of Division, Senior Officer or Counsellor:<sup>1/</sup>

An officer who is in charge of a Division or has an equivalent responsibility. In either case, the officer is directly responsible to a Director or a Principal Officer.

P4 (A4): Head of Section or First Officer with equivalent responsibility is responsible to a Head of Division or a Counsellor.

P3 and P2 (A3 and A2) are Officers who are responsible to a Head of Section or Senior Officer.

P1 (A1) are Assistant Officers who, for the most part, are probationers ("stagiaires").

2. Suggestions for the Bank

39. The Committee might desire to consider whether such a grading system for the administrative category would meet the requirements of the Bank with a view to formulating appropriate Draft Staff Rules which it could, as its proposals, transmit to the President of the Bank. The system expounded could, of course, be chosen without necessarily adopting the corresponding salary scales or step system of the United Nations or of any other existing international organization. Its adoption would, in the long run, have all the advantages of having the same system as is used by most, but not all, worldwide organizations and, in addition, by the NATO-OECD-WEU group (as to the value of precedent, see paras. 7 to 8 above).
40. Yet it might be doubted whether this would be the best system for the Bank in its early stages while its services are being built up and expanded;

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<sup>1/</sup> The term "Counsellor" is used by the ILO in respect of grade P5, but by the NATO-OECD-WEU group in respect of grade A6.

while there may not be an adequate supply of professional African staff with qualifications and experience varying in degrees justifying differences in grades; and while a considerable number of its personnel might not be career or "regular" staff (cf. para. 14 above). Would not the adoption of a seven grade category lead to a premature over-stratification or ossification of its staff structure?

41. Bearing these considerations in mind, it might be more appropriate to aim, for the very beginning, at a less complex system of grades broadly corresponding to the provisional structure of the services of the Bank which, as has been suggested in the Executive Secretary's paper on the subject<sup>1/</sup> provides for Departments, Divisions and Sections as basic units for these services. Thus, there should be fewer grades. At the same time two or three steps should be provided for each grade and the Management might be authorized to recruit, in exceptional circumstances when the qualifications or experience of the candidate justify it, at any appropriate step of, say, the first three steps of the grade concerned. This might provide it with the flexibility which, no doubt, it will require while the Bank is in the process of consolidation and while it is competing with other international financial agencies in the recruitment and retention of highly skilled staff.

42. If such a simplification of the administrative category - with which, for the time being, the linguistic category might be combined and which might, for brevity be referred to as the "AD" category<sup>2/</sup> - appears desirable, the following suggestions deserve the attention of the Committee:

- (a) The Bank might not need the grade of a Principal Officer (D1; A6). All officers directly responsible to Management should have, as Directors, the same grade as their responsibilities are comparable. The only exception might be the case of the Special Representatives in Addis Ababa, America or Europe who, or some of whom might, for the time being, be assimilated to Heads of Division with a special direct responsibility to Management.

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<sup>1/</sup> E/CN.14/ADB/25

<sup>2/</sup> See footnote <sup>1/</sup> on page 22.

(b) The next following grade should provide for those who are directly responsible to Directors and are either Heads of Divisions (P5, A5) or, as Advisers, have posts with equivalent responsibilities.

(c) With regards to other grades in the AD Category (P4 to P1, A4 to A1), it might be suggested not only to follow the ILO practice of amalgamating two grades (P3 and P2) into a single grade, but to limit the Category to two grades altogether of which one would be formed by Heads of Sections and senior members of the services concerned (e.g. Reviser in the linguistic service), the other, by the other members of such services. In view of the relative scarcity of qualified candidates, those who have both a university degree in economics and a proficiency in one of the working languages might perhaps justifiably be recruited at the lowest step of that grade. Alternatively, they might enter as senior clerks in the top grade of the General Service Category.

43. The adoption of such a grading would, in fact, mean that the linguistic service which is of considerable importance for the multi-lingual Bank, will have to be telescoped into three grades instead, as is the case in other institutions, of having five or even six grades (see paras. 35 and 36 above). Thus, the EEC system, for instance, provides for the following hierarchy:

L/A3 Head of Linguistic Division

L/A4 Head of (smaller) Linguistic Division; Head of Linguistic Team;  
Chief Reviser

L/A5 Reviser; Senior Translator

L/A6 Interpreter

L/A7 - L/A8 Assistant Translator/Interpreter; Probationer

44. If these suggestions appear acceptable to the Committee, the following grading could be included in the Staff Rules:

AD Category

<u>Suggested Description</u>	<u>UN Equivalent</u>
D - Director .....	D2 - D1
C - Head of Division, Counsellor, Senior Adviser .....	P5
SM - Head of Section; Senior member of Service .....	P4 - P3
M - Member of Service .....	P3 - P2

45. At the end of this section of the paper it should be emphasized again that the suggestions made are intended to apply for a provisional period only and designed to preserve for the Management adequate flexibility, if required, increasing it by a more elastic step system. As consolidation of the services proceeds, Management might desire to create a more complex grading system and might then adjust the proposed system on the lines of the United Nations grading.

E. The General Service

46. The United Nations General Service Category (adopted by the IBRD, IFC and IDA) comprises seven grades (G7 to G1); the corresponding B category of the NATO-OECD-WEU group comprises six grades (B6 to B1). On the other hand, in the EEC the corresponding C Category (secretarial and clerical) has five grades (C1 to C5). (In addition, a B category for staff with "executive" duties - to use English civil service terminology - is sandwiched in the EEC system between the A and the C Categories. It has five grades).

47. The General Service comprises posts and staff members with extremely varied functions: executive assistants, salary clerks, statistical clerks, administrative clerks, store-keepers, postal clerks, messengers on the clerical side, heads of shorthand-typist pools, secretaries, shorthand typists, typists may be mentioned as instances. Yet it may be suggested that, for the provisional period, an attempt should be made, for reasons explained in paras. 41 and 42 above, to limit this category to five grades with the following United Nations descriptions and suggested functional definitions.

G Category

<u>United Nations Description</u>	<u>Functional</u>
G5 Principal	Probationer
	Executive Assistant
	Principal Secretary
	Principal Clerk
	Head of shorthand typing Pool
G4 Senior	Secretary
	Bilingual Shorthand typist
	Senior Clerk
G3 Intermediate	Shorthand typist
	Clerk
G2 Junior	Typist
	Assistant Clerk
G1 Messenger	

48. Possibly, by an elastic application of the step system it might prove feasible to eliminate the G3 or G2 grade. On the other hand, it should not be forgotten that staff of some grades, or at least the incumbents of some posts within this category must be considered as "professional" staff within the meaning of Art. 57 (2) of the ADB Agreement, which is exempt from taxation in respect of their emoluments.

F. Manual workers

49. The Committee might find it premature to consider at this stage the grading for the category of manual workers: While recruitment would be largely local, the need for them depends to a great extent on the location of the principal seat of the Bank and the physical shape of its offices. It might, however, be useful to record pro memoria the grading in the United Nations System:

M. Category

- M6 General Foreman
- M5 Senior
- M4 Skilled (journeyman)
- M3 Semi-skilled
- M2 Helper
- M1 Unskilled Labourer

Suggested classification

50. To sum up, it is suggested in this paper that the Bank should adopt a classification of posts and staff which, in essence, is identical with that existing in other comparable international organizations and according to which staff is classified according to categories, grades and steps. However, in order to meet the requirements of the Bank during the initial period of consolidation, it is suggested that, as compared with other international organizations, the system should be somewhat simplified.

51. Thus it is proposed, as a basis for discussion, that there should be only three staff categories for the time being - AD (Administrative), G (General Service: clerical, secretarial, office staff) and M (Manual Workers) and that the AD Category should initially have four, and the G Category five grades.

52. If this plan of a provisional classification appears acceptable to it, the Committee might consider it premature to elaborate a long-term system of steps such as the existing grading systems provide. It might consider it as sufficient to provide, for the time being, for each grade five steps which should be awarded subject to satisfactory service of one year in the immediately preceding step, except in the highest grade (D) where the qualifying period should be two years (cf. United Nations Staff Regulations, Annex I, para. 5).

53. Moreover, for reasons explained earlier (see paras. 40 et seq.), the President should have the power to appoint, in exceptional cases justified by the qualifications and/or experience of the candidate, not at the initial step but, say, within the first three steps of a grade. This will preserve for Management the requisite flexibility in recruitment. At the same time a staff member recruited under this dispensation would, after the qualifying period, be awarded the next step. (This is why five steps for a period of two to three years are required.) Finally, the Committee might care to examine whether, within the suggested system, it will require special adjustments for linguistic staff.

Experts, consultants and other special staff

54. In view of the wide range of its activities and, at the same time of the fact that its resources in staff will be limited, the Bank will have to rely, to a significant degree, on the specialized knowledge of experts and consultants. This is recognized in Art. 56 (2) of the ADB Agreement. Consultants of the United Nations have been described as "independent contractors who are not members of the staff", and the same view has been advanced, as regards experts and consultants of the Bank, in this paper (see para. 20 above). There should be special Regulations and Rules governing their employment.

55. In drawing up these instruments it should be borne in mind that, first, most of the provisions relating to the basic rights, duties and obligations of the general and short-term staff apply, mutatis mutandis, to experts and consultants. Secondly, for some of the consultants the grading and certain terms of employment should be correlated to those of the general staff.

#### A. Basic Regulations

56. Thus, it is evident that in the performance of their task the duties of experts and consultants are "exclusively international" (para. 26 above, Reg. 2.1); that they owe their duty "entirely to the Bank and to no other authority" (Reg. 2.2); that they are subject to the authority of the President (Reg. 2.3); that they must be independent and impartial in the performance of their task and that, in performing it, they must regulate their conduct with the interests of the Bank only in view etc. (Regs. 2.4 to 2.8). Again, the Regulation concerning immunities and privileges (Reg. 2.10) also applies in their case.

#### B. Terms of Employment

57. The second question arises because of the functional distinction between an expert or consultant who performs his work outside the services of the Bank (the architect who draws up plans for its buildings; the lawyer who appears for the Bank in Court; the professor who at the seat of his university writes a report for the Bank etc.) on the one hand, and the consultant who, for a period of time, works within a service and subject to the hierarchical system of the Bank on the other.



For consultants of the latter type, the rules must provide some grades which are correlated to the grading system adopted for the regular staff of the Bank. Furthermore, they must provide for other terms of employment - working hours, public holidays, leave and sick leave entitlement, death and disability benefits in case of accidents arising out of or in the course of their employment, travel insurance, etc. - which, though not always identical, must be correlated to those applying in the case of the general staff (cf. OECD Regulations for Experts and Consultants, Regs. 10, 11, 14 and 16). On the other hand, experts and consultants would not, of course, participate in any Staff Provident or Pension Fund.

#### C. Short-Term Staff

58. In conclusion, it may be noted that what has been stated in the preceding paragraph as regards the terms of employment of consultants who are "integrated" in the services of the Bank applies with equal force to the Staff Rules of short-term staff who, it has been suggested, come under the Staff Regulations of the Bank (see paras. 17, 24 and 26, Reg. 1.2 above).

Salaries, allowances and other benefits

59. The ADB Agreement provides that the President shall "fix the terms of employment of the staff in accordance with the rules of sound management and financial policy" (Art. 37(2)). The salary scales should, therefore, be laid down, not in the Staff Regulations as in the case of the United Nations (cf. United Nations Staff Regulation 3.1), but in the Staff Rules made by the President (cf. para. 4 above; the salary scales of the OECD are contained in the Staff Rules, but are approved by the Council of the Organization - OECD Staff Regulation 15 (a)).

60. The salary scales will be based on categories, grades and steps adopted for the general staff of the Bank (see paras. 27 - 53 above). It is not intended to suggest such salary scales at this stage but rather to discuss, in the first place, certain preliminary issues on which their elaboration depends as well as the kinds of allowances which are related to basic salaries. Only after the Committee has agreed on these questions of principle, on which the remuneration of the Bank as a whole is based, will it be possible to formulate rules, consider figures, and prepare tables. In this connection, the expression "emoluments" will be used in this paper as comprising both the basic salary and related allowances.

A. The currency problem

61. In the first place, in what currency will basic salaries of the Bank be expressed? Secondly, in what currency will they be payable? Last, what transfer facilities has the Committee in mind for those African or any non-African staff members who are nationals of a State other than that in the territory of which the principal seat of the Bank is located (hereinafter called "expatriate staff members")?

1. Currency of denomination

62. The United Nations, the ILO, IBRD, IFC, IDA, IADB as well as NATO, OECD, WEU and the EEC express their basic salaries in the currency of the Headquarters' State (hereinafter called the "Host State"); some United Nations specialized agencies, on the other hand, do not follow this practice. Thus, salaries of UNESCO are expressed in US dollars, not in French francs.

63. The problem of denomination must be considered in relation to two questions: First, African and any non-African expatriate staff members may be expected to retain financial commitments and other interests in their home countries which the Bank, if it desires to ensure effective recruitment and retention of a highly competent staff, must take into account within reasonable limits by providing, partly, remuneration in home currency. Secondly, there is the question of remuneration of staff members who exercise their duties elsewhere than at the principal seat of the Bank.

64. The United Nations Staff Regulations solve the last question (which, although it may have branches and agencies elsewhere than at its principal seat, is not likely to be of considerable importance for the Bank) by authorizing the Secretary-General to adjust the basic salaries by non-pensionable "post adjustment" in order to preserve "equivalent standards of living at different offices". United Nations Schedules issued under this authority provide for "post adjustment" (increase or reduction) to staff members of the D2 - D1 and P5 to P1 grades for countries where cost-of-living is higher as well as where it is lower than at base. Salaries and wage rates of staff members within the G and M categories, on the other hand, are normally fixed "on the basis of the best prevailing conditions of employment in the United Nations Office concerned" - so that the currency problem (though theoretically it might exist) is hardly important as regards these two categories. (cf. United Nations Staff Regulations, Annex I, paras. 7 and 9 and Staff Rules 103.7).

65. The second problem is more serious where the currency of the Host State is lacking in stability in relation to currencies of countries where the international organization concerned recruits its staff, or to currencies in which other international agencies, which are its competitors, pay their salaries. In such circumstances, in order to recruit and retain competent staff effectively, the international organization concerned is likely to have to resort for its expatriate staff, until the currency of the Host State acquires a reasonable measure of stability and its staff is provided with adequate security of tenure, an exchange rate guarantee for at least a substantial part of their emoluments. Indeed, in practice only that portion of emoluments which may be deemed to be locally spent by the staff member concerned together with his dependents living with him, can be exempt from the operation of the guarantee.

66. An exchange rate guarantee must be carefully devised and administered in order to minimize inequalities between different groups of staff members and possibilities of abuse. It can be fixed either on the basis of uniform rates for all staff concerned - fixed, for instance, on the date on which the scheme goes into operation, - or on the basis of the rate of "his" currency (i.e. that to which he is entitled owing to his nationality or his original domicile), prevailing at the date on which he takes up his duty. The existence of multiple rates might present a problem in this connection, while the existence of a valid cross-rate system would facilitate the operation of the scheme.

67. However, unless the Committee considers that salaries must necessarily be fixed in the currency of the Host State, there may be another solution to the problem. The Committee might examine whether, instead of choosing a national currency, all basic salaries (with the possible exception of those applying to the M category) could be expressed in the ADB unit of account defined in fine gold in Art. 5 (b) of the ADB Agreement and, at present, equivalent to the US dollar. Provided there is a satisfactory system of exchange rates in relation to African currencies, the adoption of such a system would appear to have the advantages of being persuasive for African and non-African expatriate staff members alike; of facilitating comparisons with salary scales with those of other international organizations; and of avoiding the semblance of discrimination between expatriate staff members and staff of nationality of the Host State.

Its operation would be particularly smooth with the growth of transferability of African currencies, while its operation as regards extra-African currencies presents no problem.

68. A significant difference between the use of an exchange rate guarantee and of the ADB unit of account lies in the fact that when the parity of "his" currency in terms of the ADB unit of account appreciates, the expatriate member receives less of "his" currency. If the same happens under the guarantee system, he continues to receive the same amount of "his" currency and benefits - which seems inequitable.

## 2. Currency of payment

69. Whether the salary and other emoluments are fixed in the currency of the Host State, in another currency, or in the ADB unit of account, it is suggested that in accordance with the general practice of international organizations the general rule should be that all emoluments should be payable in the currency of the Host State. From this rule there should be two exceptions:

(a) An expatriate staff member should be entitled to receive at least a substantial percentage of his emoluments in the currency of the State of which he is a national or of the State in which he normally resided when he took up his duty with the Bank (cf. paras. 65 to 68 above); and

(b) A staff member who serves with the Bank elsewhere than at its principal seat should be entitled to receive his emoluments in the currency of his official residence or that of the Host State.

## 3. Transfer facilities

70. There should be, it is suggested, optional transfer facilities offered by the Bank for staff corresponding to exception (a) set out in the preceding paragraph, and this irrespective whether there is an exchange rate guarantee or not. The object of such facilities is to make staff members concerned, within the limits stated, independent of national currency regulations as he should be being an international civil servant and, at the same time, to prevent abuse. Under the ADB Agreement, the Bank would have the necessary powers to implement such facilities (see Arts. 27 and 54 of the ADB Agreement). A Staff Rule incorporating the transfer facilities as well as the exchange rate guarantee (if any), may be formulated on the following lines:

Rule

- (1) A staff member (who comes within the definition of "expatriate staff member") shall be entitled, at his option, to have ... per cent of his monthly emoluments currently transferred through the Bank in the currency of the State of which he is a national or of the State where he normally resided when he took up duty with the Bank.
- (2) The President may authorize other transfers on good grounds.
- (3) Transfers effected under the provisions of this Rule shall be made at the official rate of exchange ruling (at the principal seat of the Bank) on the date (or transfer/fixed date) on which the staff member took up his duty with the Bank).

**B. Cost-of-living and purchasing power**

71. Another problem of modification of salaries is that presented by changes, at the principal seat of the Bank, in the cost-of-living or, more generally, in the purchasing power in terms of currency in which the salaries are payable. This should be distinguished from the question of an increase in salary scales required in view of a general improvement in the standard of living or increase in salary levels by agencies or institutions with which the Bank competes for competent staff. As is known in the last ten years, increases in the cost-of-living owing to inflationary trends have been considerable at the main headquarters of European organizations.

72. Experience shows that in its treatment of the cost-of-living problem, international organizations, in view of the international character of its staff - and, particularly, its professional grades - cannot be considered in the same way as employers relying exclusively or mostly on local staff. On the other hand, there is no automatic solution to the problem for two reasons:

- (a) There exist no reliable single automatic cost-of-living indices which objectively reflect fluctuations in the cost of living or purchasing power of salaries of international staffs in Africa; and, on the other hand,
- (b) There is a tendency towards harmonization of salary scales of international staffs.

73. In view of this the only suggestion that can be made at present is that, the salary scales shall be periodically reviewed in the light of any changes in the cost of living. (cf. OECD Staff Reg. 19)<sup>1/</sup>

C. Structure of emoluments

74. The Committee will, no doubt, in the light of all relevant factors consider whether it should propose to the President to base the Bank's salaries, by and large, on the corresponding United Nations or IBRD scales or the scales of any other international organization as being "in accordance with rules of sound management and financial policy" (ABD Agreement, Art. 37 (2)). In doing so, it will have to consider the relative part of the basic salary in the emoluments paid by international organizations. As regards the United Nations, in order to arrive at a true evaluation of the basic salaries it will have to take account of:

- (a) The salary scales;
- (b) The United Nations Staff Assessment Plan;
- (c) Allowances (in particular, the dependency allowance and the annual education grant); as well as
- (d) Benefits under the United Nations Joint Staff Pension Fund, which, though not part of emoluments, must be taken into consideration for a full assessment of terms of employment offered by the United Nations, IBRD, IFC or IDA.

These elements will be discussed in turn in the following paragraphs, but only to the extent that they can influence an emolument system of the Bank.

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<sup>1/</sup> Under a "Procedure for Adjusting the Emoluments of International Staff" the level of remuneration of the NATO - OECD - WEU group is reviewed annually in October and November in the light of evidence collected by their chief administrative officers. For this purpose "the trend" of a specially established international index is "taken into consideration". Only 70 per cent of any variation in the index are necessarily taken into account for adjustment in remuneration and variations of less than 3 points are disregarded. Recommendations of the reviewing body must be unanimous and are not binding on the organizations concerned. In addition, there is a "complete and thorough" review of remuneration of the international staff every five years which takes into account: (i) the trend of the standard of living in the member countries in the preceding period; (ii) the exigencies of recruitment; and (iii) the trend of civil service remuneration, especially in the Host State.

D. The problem of taxation

1. National taxation and staff members of the Bank

75. Staff members who are nationals of Member States of the Bank and who, at the same time, are "officers or other professional staff of the Bank", will be exempt from taxation in respect of their salaries and other emoluments. The same will apply to officers or "other professional staff of the Bank" who are nationals of other States as regards taxation by Member States of the Bank, particularly the Host State (ADB Agreement, Art. 57 (2)). For, generally, it is submitted that the exemption granted in this respect to the Bank cannot be waived under Art. 59 of the ADB Agreement. The overriding consideration is that the funds of the Bank should serve its purpose, not the fiscal ends of its Members and, particularly, of its Host State.

76. Staff members who are not nationals of Member States of the Bank and are employed by the Bank at its principal seat or in the territory of any other Member State are not likely to be taxed in respect of their emoluments by States where they were ordinarily resident before they were employed by the Bank, provided their **residence** there is discontinued for at least a full tax year (or, in some cases, 18 months). For as a rule, taxation is based on residence, not on nationality. There may be a few exceptions to this general principle, and the President might make special provision **authorizing** compensation for tax paid in such cases.

77. Finally, unless special bilateral arrangements are made between the Bank and the State concerned (which will be difficult, if not impossible), staff members who are employed by the Bank in a country which is not a Member State are likely to be taxed. Again, the President will require special provision to be made for such cases.

2. International assessment

78. This brief survey shows that the problem of taxation of staff members of the Bank is radically different from that of taxation of United Nations, IBRD, IFC or IDA staff which, according to nationality, is taxed in certain Member States of the United Nations, but not in others.

79. It is this difference in treatment by national fiscal authorities of its Member States that accounts for the United Nations Assessment Plan **according to** which salaries and emoluments (with certain exceptions) are subject to considerable deductions at rates set out in United Nations Staff Reg. 3.3. The staff member is refunded the amount assessed by and paid to the United Nations whenever he is subject to national taxation in respect of his emoluments, and may even be refunded the whole amount of the national tax payment if it exceeds the amount of the assessment payment. The revenue from the United Nations assessment is used for the purpose of the United Nations Tax Equalization Fund.

80. It is submitted that in view of the difference in the position with regard to taxation by the Member States of the Bank, the Bank should not introduce its own Staff Assessment Plan which, incidentally, would require specially qualified staff and complex procedures for its effective administration. On the other hand, the incidence of the United Nations Staff Assessment on the relevant salary scales must be taken into account in any comparison of salaries paid by other international organizations with those proposed for the Bank.

### 3. Professional staff

81. In this connection it might be useful for the Committee to examine the ambit of the phrase "officers and other professional staff of the Bank" which, in Art. 57 (2) of the ADB Agreement, describes staff members whose salaries and other emoluments shall be exempt from taxation. The considerations underlying this provision are two-fold:

- (a) The Bank's funds initially contributed by all its members and all of them designed to serve, to the maximum extent possible, its purpose (Art. 1) should not be made to increase the fiscal revenue of one particular member by reason of the fact only that it happens to be its Host State.
- (b) However, no special social, political or administrative problem should be created for that Host State where junior staff is concerned whose activities are completely identical with those of persons fulfilling similar tasks for other national employers in its territory. They should, it is suggested, be paid according to the best prevailing local rates but receive no special pecuniary advantages - all this on the assumption that this departure from the principle enunciated under (a) does not cause too great a stress. The distinction of professional and other staff is certainly based on function, not on nationality.

82. Applying these considerations to the grading system proposed in paragraphs 39 to 53 above, it would seem that the AD category is clearly within, and the M category clearly outside, the compass of the phrase. Reasonable doubts may exist, considering their functions, with regard to staff members assigned to posts within the G category.



It may be argued that in view of the nature of their duties and the language qualifications they require for their work, executive assistants, secretarial, shorthand and typing staff come within the definition while the position of clerks requires more careful scrutiny. The Committee might therefore examine whether Art. 57 (2) of the Agreement requires the President to declare the whole of the G category as being "professional" staff or whether for the purpose of that Article, a distinction should be drawn according to the posts which staff members in the G category occupy.

#### E. Allowances

83. As has been suggested in paragraph 75 above, a proper evaluation of the salaries paid by the existing international organizations requires an examination of the relative role played for the total emoluments by certain allowances related to the basic salaries. The main allowances to be considered in this connection are - in United Nations terminology - the dependency allowance and the annual education grant and, for the NATO-OECD-WEU group, the expatriation allowance. In addition, certain other allowances, with a smaller proportional incidence on the total emoluments, should be taken into account. To show the order of magnitude, some figures for the main allowance are quoted.

##### 1. Dependency allowance

84. In the United Nations, a "dependency allowance" is payable to staff members in the D2 and D1, and P5 to P1 grades as follows:

- (a) At US \$400 per annum for a dependent spouse and at \$300 per annum for each dependent child; or
- (b) Where there is no dependent spouse, at US \$200 for either a dependent parent, brother or sister.

Staff members in the G and M categories receive this allowance at suitable rates.

The United Nations allowance for a child should be payable only to the extent that dependency benefits enjoyed by the staff member concerned due under a national legislation amount to less than the United Nations allowance (United Nations Staff Reg. 3.4).

85. The IBRD, IFC and IDA groups pay a "salary supplement" of a similar kind and comparable order of magnitude which is, however, more complex and elastic in its application. It takes into account the earnings of the spouse of the staff member concerned (cf. IBRD, Statement No. 7 (4)).

86. The OECD pays its staff members:

(a) If married, a "head of household allowance" varying according to grades. At the last available rates (published on 13 August 1962) it varied from French francs 2,400 (approximately US \$480) a year for grade A7 to French francs 1,500 (US \$300) for grade A1, and from French francs 1,500 (US \$300) for Grade B6 to French francs 672 (US \$134) for grade B1. It is also payable for L and B categories.

(b) A "dependents allowance" for each child or other dependent person (other than the spouse) amounting (as at 13 August 1962) to French francs 1,320 (US \$264) per annum (OECD Staff Rules 16/2 and 16/3).

### 2. Education grant

87. The United Nations pays to a staff member serving outside his home country whose dependent child is in full-time attendance at an educational institution which will facilitate its re-assimilation in that home country an annual education grant of a maximum amount of US \$600. In addition, travel costs of the child between the educational institution and duty station are reimbursed for one return journey each year (United Nations Staff Reg. 3.2).

No such grant exists in the NATO-OECD-WEU group.

### 3. Expatriation allowance

88. No expatriation allowance exists in the United Nations, IBRD, IFC or IDA. These organizations consider, broadly speaking, that their staffs have a high degree of security of tenure and that such commitments as may continue to exist in their home countries are taken care of by the level of their basic salaries (with the exception of the education grant discussed in the preceding paragraph). They expect their expatriate staff to re-settle at their permanent duty stations.

89. Partly for historical reasons and local conditions, the NATO-OECD-WEU group proceeds differently and pays an "expatriation allowance" to all expatriate staff members in the A, L and B categories which differs in amounts for Heads of Household and single staff. As from 1 January 1963, the allowance of his salary for a Head of Household is composed of:

- (a) A proportional element of 18% of his salary for a Head of Household and 14% for a single staff member;
  - (b) A fixed element varying from French francs 2,208 (US \$442) a year for a Head of Household and French francs 1,200 (US \$240) for grade A7 to, respectively, French francs 3,480 (US \$693) and 2,640 (US \$518) for grade B1;
  - (c) Four and one-half per cent of the proportional element as a cost-of-living allowance; and, in addition
  - (d) French francs 504 (US \$101) each year for each dependent child.
- The minimum total for the three elements set out under (a) to (c) must not be less than French francs 5,628 (US \$1,156) for a Head of Household and French francs 4,008 (US \$802) for a single staff member (GD (63)8).

90. It is important to note that entitlement to the expatriation allowance begins to decrease slowly from the beginning of the fourth year of service until it is, in the eighth year of service, stabilized for heads of households at 75% and for other staff members at 65% of the full rate (OECD Staff Rule 16/3.3).

91. However complex the method of its calculation, the basic considerations underlying the expatriation allowance deserve attention by the Committee. As regards the organizations concerned, they are based on two sets of factual elements: First, it is admitted that expatriate staff members continue to retain, or even develop, their family and educational commitments and other interests in their home countries which represent additional expenditure as compared with that of staff members rooted in the Host State. In this respect, the United Nations education grant and the expatriation allowance are, to a certain extent, mutually exclusive. Secondly, it is admitted that at the headquarters of the organizations concerned expenditure of expatriate staff members, as compared with that of their colleagues rooted there, is, and remains, higher. This is largely, but not exclusively, due to housing shortage, high rents and high prices for real property. Even loans towards house purchase are a doubtful expedient: the staff member who might have a home to pay off in his own country, hesitates to undertake additional commitments. Absence of adequate security of tenure tends to increase his expenditure on both accounts - in his home country and at his duty station. Thus, a re-settlement policy by his organization can have only limited effect.

#### 4. Other allowances

92. The main allowances mentioned hitherto - dependency allowance, education grants, expatriation allowance - must be taken into consideration for a proper evaluation of basic salaries paid by the international organizations concerned - just as the fact that United Nations staff members are subject to a United Nations Staff Assessment and NATO - OECD - WEU are exempt from all taxation in respect of their emoluments by the Member States must be taken into account. The Committee might wish to examine whether similar allowances, or any one of them, should be payable by the Bank. In addition, the Committee might consider the desirability of certain other allowances related to salaries but of minor financial incidence, which are currently paid by several international organizations.

Language allowance for staff members of the G category with proficiency in the use of two or more official languages (United Nations Staff Regulations, Annex I, para. 8);

Special post or acting allowance payable to staff members called upon to act for an official of a higher grade for a temporary period of not less than (2 or 6) months (United Nations Staff Rule 103.11; OECD Staff Rule 16/6);

Rent allowance equal to one half of the amount by which the rent for suitable housing actually paid exceeds 20 per cent of the emoluments of the staff member concerned, subject to a maximum of 5 per cent of his emoluments (OECD Staff Rules 16.5).

#### F. Health protection and retirement benefits

93. As stated before, for a full evaluation of the terms of employment offered by the existing international organizations it is necessary to take into account - apart from the basic salary rates and allowances as well as the exemption of emoluments from taxation - other benefits provided by these organizations; in particular, benefits under their health protection schemes as well as retirement benefits.

##### 1. Health protection

94. In its technical aspects, the system of health benefits vary considerably as between the existing organizations though each of them fully recognizes the social obligation to maintain a comprehensive health protection scheme and to contribute towards it.

In application of this principle, some organizations - particularly those located in the United States of America - sponsor their own health protection plans incorporating private group insurance schemes; other organizations, notably those located in France, provide for a compulsory affiliation of their staff to the national social security schemes of the Host State and, in addition, for supplementary benefits available under a private group insurance scheme the cost of which is entirely borne by the organization concerned. In both cases the schemes cover the dependents of the staff member. They provide for services of general practitioners and consultants; surgical services; hospitalization; maternity care; dental care etc. Moreover, the organizations provide for special benefits in the event of accidents, disability or death attributable to employment with them. Last, they have each its own medical unit for first aid, vaccination and periodic health checks of the staff.

## 2. Retirement benefits

95. Staff members of the United Nations and most of its specialized agencies are affiliated to the United Nations Joint Staff Pension Fund. Similarly, Staff of the EEC participates in the Pension Fund of the European Communities. These funds contribute certainly a measure of stability to the staff policy of the organizations concerned. On the other hand, the NATO-OECD-WEU group, so far, have not introduced a pension fund but operate each a staff provident fund.

96. The pension funds provide the normal benefits: periodic pension benefits upon regular retirement or in case of invalidity; widow and children pensions etc. Their details must be studied in the relevant regulations. The most salient features, however, may be summed up as follows:

- (a) United Nations Joint Pension Fund: Contribution by the staff member amounts to 7 per cent of the basic salary. The retirement age is sixty. Pension benefits are based on the average basic salary for the last five years of service and correspond to one sixtieth of that salary for each year of affiliation up to a maximum of 30 years. Thus the maximum annual pension benefit amounts to one half of that basic salary. Instead of the annual benefit, up to one third may be received as a capital payment and the rest in form of annual benefits.
- (b) Pension Fund of the European Communities: Contribution by the staff member amounts to 6 per cent of the basic salary.

He is entitled to pension benefits as from the age of fifty provided he has completed ten years of service, and, as from the age of sixty without such qualification. The maximum annual pension benefit is sixty per cent of the average basic salary for the last three years of service. This maximum amount is payable if the staff member has completed 33 years of service; for shorter service the pension is proportionately reduced.

97. While these systems should be borne in mind for a proper evaluation of the terms of employment of the existing major international organizations and, possibly, as an ultimate objective of the Bank, the staff provident fund of the OECD deserves the attention of the Committee because it is a suitable instrument of staff recruitment and retention policy in the early years of an organization when its staff requirements are fluid; there is a considerable turn-over of staff in the existing posts; a considerable number of staff is in age-groups unsuitable to build up a pension scheme and serves under fixed-term or indefinite appointments (see paras. 12 et seq. above). Thus, originally the United Nations itself established a staff provident fund when it was formed.

98. The main features of such a staff provident fund are simple: All general staff (i.e. staff serving under regular, fixed-term or indefinite appointments - see para. 18 above) participate in the fund to which the organization contributes as well. In the OECD, the contribution of the staff member amounts to 7 per cent of his monthly salary, that of the organization to 14 per cent thereof. The assets of the fund are currently invested, and the individual account of each participant is credited with the contributions and the annual interest accruing on the amounts standing to the credit of that account. Upon the termination of the appointment, the participant receives all amounts credited to his individual account. If, however, as some organizations have done, a minimum period of participation (e.g. two years) is required for this rule to become operative, the participant is entitled to be refunded his own contribution with interest accrued thereto in case his service is terminated before the expiry of the qualifying period.

## Recruitment, appointment, termination

### A. Principles of recruitment and posting

99. The principle that the Bank is an African institution, characterized by its purpose (Art. 1 of the ADB Agreement), is given expression also by the rule that the Governors, the Directors, their Alternates, as well as the President of the Bank must be nationals of its member States (Arts. 30 (1), 33 (2) and 36). As a necessary corollary, it should be made effective by the recruitment policy pursued by the Management. The ADB Agreement, therefore, enjoins the President, subject to the paramount importance of securing the highest standards of efficiency, technical competence and integrity, to "pay full regard to the recruitment of personnel among nationals of African countries, especially as far as senior posts of an executive nature are concerned." Such staff, the Agreement adds, should be recruited "on as wide a geographical basis as possible" (Art. 37 (5)). It should be added that, with the same qualifications, these principles should apply not only to recruitment but also to posting and, more generally, the retention of the staff.

100. The Committee will, no doubt, wish to examine how to give effect, in the Staff Rules and Regulations of the Bank, to these principles laid down in the ADB Agreement. It may in this connection recall that, as a general rule, the principle of geographical distribution (always subordinate to the paramount principle of efficiency, competence and integrity) is, mainly for financial reasons, not fully applied to junior grades.

101. As a basis of discussion, it is suggested that the Staff Regulations of the Bank should contain provisions on the following lines:

## CHAPTER V.

### APPOINTMENT AND POSTING

#### Regulation 5. 1

The foremost consideration in the appointment, posting or promotion of staff shall be the necessity of securing the highest standards of efficiency, technical competence and integrity. The President shall pay full regard to the recruitment of personnel among nationals of African countries, especially as far as senior posts of an executive nature are concerned. He shall recruit them on as wide a geographical basis as possible.

#### Notes:

1. Cf. Art. 37 (5) of the ADB Agreement; United Nations Staff Reg. 4(2); IBRD Statement No. 4 (1); OECD Staff Reg. 7.
2. The Staff Rules of the Bank might provide that, as far as possible, posts in grades 4 to 1 of the G Category and posts in the M Category shall be filled by persons residing in the area in which they will be employed by the Bank (cf. IBRD Statement No. 4 (1) (d); United Nations Staff Rule 104.5).

#### Regulation 5. 2

In accordance with the principles of the Charter of the United Nations and the Universal Declaration of Human Rights, reaffirmed in the Charter of the Organization of African Unity, selection of staff members shall be made without distinction as to race, sex or religion. So far as practicable, selection shall be made on a competitive basis.

Note: Cf. Preamble to OAU Charter; United Nations Staff Reg. 4.3.

#### Regulation 5. 3

Subject to the provisions of Regulation 5.1, full regard shall be paid, on a reciprocal basis, in filling vacancies to candidates with requisite qualifications and experience obtained in the service of other African institutions.

Note: Cf. United Nations Staff Reg. 4.4.

#### B. The act of appointment

102. Under the ADB Agreement the power of appointing and of releasing staff members is expressly vested in the President of the Bank (Art. 37 (2)). The nature of the appointment and, in particular, its statutory elements have been explained at the beginning of this paper (see para. 3 above).



It might therefore suffice to suggest, as a basis for discussion by the Committee of Nine, that the Staff Regulations of the Bank should contain the following provisions:

Regulation 5.4

- (a) Members of the staff shall be appointed by a Letter of Appointment signed by the President or, on his behalf, by his authorized representative.
- (b) The letter of appointment shall indicate:
  - (i) the name of the staff member;
  - (ii) the type of the appointment;
  - (iii) that the appointment is subject to the provisions of the Staff Regulations and Staff Rules of the Bank, including any changes that may be subsequently made thereto;
  - (iv) the category, grade and step to which the staff member is appointed as well as his commencing rate of salary;
  - (v) the expatriation allowance, if any, to which the staff member is initially entitled;
  - (vi) the period of appointment, the notice required to terminate the appointment, and the probation period, if any;
  - (vii) the date on which the staff member is required to enter upon his duties; and
  - (viii) any special terms or conditions that may apply.
- (c) A copy of the Staff Regulations and Staff Rules shall be transmitted to the staff member with the Letter of Appointment.

Notes:

1. Cf. United Nations Staff Regs. 4.1 and Annex II and OECD Staff Reg. 8, by which this Regulation is inspired.
2. As to the expatriation allowance, if any mentioned under (b) (v) in the Letter of Appointment, see paras. 89 to 92 of this paper.

C. Types of appointment

103. The types of appointment for which the Bank may provide in its Staff Rules and Regulations and which were briefly described in paras. 12 to 15 above, are:

General: Regular appointments (or, in United Nations terminology, "permanent" appointment for D2 and D1 and P5 to P1 grades, and "regular" appointments for other grades); Fixed term appointments, i.e. assignments for a specified period of time, of one year or more duration. (In the United Nations they are subject to a maximum period of five years - United Nations Staff Rule, 104.12/6); and Indefinite or temporary appointments, which may be terminated by either party subject to a specified period of notice.

Special: Short term appointments which are made (in the United Nations, for a maximum period of six months - United Nations Staff Rule 301.1) for conference or other short term requirements of the organization.

Appointments as experts or consultants - see paras. 57 and 58 above.

104. As a matter of long term staff policy, regular appointments are perhaps the most important type as, basically the Bank will require staff on whose permanent loyalty it can rely and which would make their working life a career with the Bank (see, however, paras. 13 and 114). In the United Nations, they are preceded by a probationary appointment of, normally, two years; and in the IBRD, IFC and IDA they are subject to a probationary period of one year in the senior and six months in the junior grades. Moreover, in the United Nations they are subject to review at the end of the first five years of service. In view of the eligibility of the holders of such appointments for participation in the pension fund there are age limits for such appointments which are normally eighteen and fifty years (see United Nations Staff Rules 104.12, 104.13; IBRD, Statement No. 4 (1) (b) and (2) (a) (i)).

105. A probationary period may be provided for other types of appointment as well. Besides, for all types of appointment medical standards of fitness are prescribed which staff members must meet before appointment (United Nations Staff Reg. 4.6). In the United Nations, staff members may be retained in service beyond the age of sixty years only in exceptional circumstances (cf. United Nations Staff Reg. 9.5). In the OECD, on the other hand, the age limit is sixty-five years though, at his own request, a staff member may retire after he has attained the age of sixty (OECD Staff Reg. 13).

## D. Termination

### 1. Termination by the organization

106. The grounds on which an international organization may terminate the appointment of a staff member are particularly characteristic for a service which, as has been repeatedly stated before, does not enjoy the same degree of security of tenure as well-established national civil service. Thus, in addition to reasons which are normally found in all public services (unsatisfactory service; termination as a result of disciplinary action; incapacity for reasons of health or disability), all international organizations recognize as a ground for termination that the post of the staff member concerned is abolished or a reduction of staff is required. In addition, some organizations permit termination on the ground that it is "in the interests" of the organization concerned (cf. United Nations Staff Reg. 9.1; IBRD, Statement No. 11 (2) ).

107. In actual fact, the impact of the rules which allow termination on such grounds, depends on the aims and stability of the organization concerned and the quality of its staff administration. Yet it cannot be denied that these rules influence the high turnover in international organizations, staffs and staff morale. On the other hand, they cannot dispense with these rules in view of the changing conditions in their existence.

But they try to limit their adverse effects by

- limiting their applicability;
- differentiating the periods of notice required; and
- providing substantial termination payments.

108. Thus, by way of an instance, the OECD Staff Regulations do not recognize that an appointment may be terminated on the ground that it "is in the interests" of the organization but provide that it may be terminated, "if the post of the official is suppressed or if there is any reduction in the number of posts in his grade and there is no vacant post for which the Secretary-General considers that the official has the necessary qualifications..." (Staff Reg. 11 (a) ). Again, in the United Nations a "permanent" appointment cannot be terminated "in the interests of the organization" except to a very limited extent and only if the action is not contested by the staff member concerned (United Nations Staff Reg. 9.1 (a) ).

109. Periods of notice vary from one organization to another. The United Nations provide three months' notice for "permanent" appointments and a minimum notice of thirty days for "temporary" appointments. The IBRD, IFC, IDA have a discretionary system though a minimum notice of thirty days applies in the case of reduction of staff. The OECD have a system under which periods of notice vary according to grade and length of service. In the case of all organizations, instead of giving notice the administration may pay to the staff member the emoluments due for the corresponding period (United Nations Staff Rule 109.3; IBRD, Statement No. 11 (4); OECD Staff Reg. 11 (b) and (e)).

110. In order to show the scale on which termination payments are calculated, the following rule of the IBRD, IFC and IDA may be cited:

In case of reduction of staff (and, possibly, where the appointment is terminated "in the interests" of the organization concerned) a staff member with less than two years of service is granted a payment equivalent to one month's salary. A staff member with more than two years of service is granted a payment equivalent to one half month's salary for each year of service, subject to a maximum of twelve years (IBRD, Statement No. 11 (4) (c)).

(The "Termination Indemnity" rules of the United Nations will be found in United Nations Staff Reg. 9.3 and Annex III. In addition, the United Nations pays "Repatriation Grants" and "Service Benefits" - United Nations Staff Reg. 9.4 and Annex IV).

It should be noted that termination payments are not confined to holders of "regular" or "permanent" appointments.

## 2. Resignation

111. Finally, all international organizations allow termination by resignation of the staff member concerned. They provide for a period of notice which, by mutual agreement, may be shortened. In the case of some organizations, the staff member concerned does not necessarily forfeit the right to termination payments and other retirement benefits (cf. United Nations Staff Reg. 9.2; United Nations Staff Rule 109.2; IBRD Statement No. 11 (4) (a); OECD Staff Reg. 12.).

E. Suggestions for appointment policy

112. This survey of the types of appointment and the conditions that apply to their termination may serve as a basis for discussion by the Committee on the rules that should govern recruitment and staff administration of the Bank. The Committee might find that in its initial period a large proportion of the Bank might not be eligible for regular appointments and, indeed, that perhaps for the first year or two of its existence the Bank should not proceed to such appointments which require, in any event, the expiry of a substantial probationary period (see paras. 13 and 106 above). If it were of that opinion, it might consider that staff members of the Bank should during the initial period be appointed under:

- (a) Indefinite appointments with periods of notice varying, according to grade and length of service between, say, one and four months; or under
- (b) Fixed term appointments, subject to a probationary period - according to grade - of six or three months, and with a duration from one to five years; but that
- (c) Staff members within the age limits of eighteen and fifty years, satisfactory service under either of these two appointments should count towards regular appointments when the Management of the Bank will initiate the policy of making such appointments.

113. In examining these suggestions, the Committee might consider, as a matter of recruitment policy, indefinite appointments more suitable for the G and M category and fixed term appointments more suitable for senior grades though it might not be wise to make such a policy obligatory as recruitment of staff in the G category elsewhere than at the principal seat of the Bank might require fixed term appointments.

114. Finally, if the Committee considers that the Bank should establish a staff provident fund, it might examine whether holders of all types of appointment should be eligible for participation in the Fund and, if so, on what conditions (see paras. 16 and 98 and 99 above).

115. The question of appointments completes the preliminary and rather brief survey of the main problems which should be dealt with in the Staff Rules and Regulations of the Bank. On the basis of the findings of the Committee, the Executive Secretary could, as the next stage, prepare for its consideration a full draft of the required instruments which will also deal with certain more technical issues (leave, disciplinary measures, disputes etc.) which have been disregarded for the time being.