1. At the time of presentation of the Programme of Work and Budget of IFAD for 1998 (document EB 97/62/R.5), it was indicated that an extensive review was to be undertaken to address the issue of continued use of temporary support staff throughout IFAD and to prepare a new policy governing their recruitment. It was also recognized that, prior to the adoption of this policy, some transitional arrangements would be proposed in 1998 so as to extend certain benefits to temporary staff who had been serving IFAD on a full-time, continuous basis for a period of more than three years.

2. Accordingly, a provision was made within the 1998 Temporary Staff budget allocation to cover the 1998 part of the benefits extended to these long-term temporary staff, and a higher provision of USD 250,000 was made under the 1998 Contingency for Unforeseen Expenses, due to the possible implications of the recommended changes. The benefit extended to long-term temporary staff is entry into the United Nations Joint Staff Pension Fund (UNJSPF), and this provides the option to staff to validate their contributions retroactively. The implication for IFAD is absorption of the organization’s share of contributions for the period validated, for which there was no specific allocation provided within the 1998 Staff Costs budget category.

3. The Executive Board was further reminded of this possible requirement at its Sixty-Third Session (EB 98/63/R.28) in the context of the discussion of options available to IFAD for funding the retroactive adjustment of the general service salary scale, as a result of the International Labour Organization Administrative Tribunal’s judgement No. 1713.

4. To date, 10 long-term temporary (LTT) staff have chosen to validate their UNJSPF non-contributory service, which will result in a funding requirement of approximately USD 140,000. The remaining 22 LTT staff may still choose to opt for this entitlement, in which case a maximum further amount of approximately USD 308,000 could become necessary.

5. The Contingency Items under the approved 1998 budget total USD 400,000, which includes USD 150,000 for “Expenses on the New Headquarters Building” and USD 250,000 for contingency
for “Unforeseen Expenses”. As previously advised in document EB 98/63/R.28, the contingency for Expenses on the New Headquarters Building of USD 150,000 will not be required in 1998.

**Recommendation**

6. In view of the above, the President recommends that the Executive Board approve a revision to the 1998 administrative budget, authorizing the reallocation of the two contingency items up to USD 400,000 to cover IFAD’s share of the retroactive validation of the UNJSPF non-contributory service for long-term temporary staff. This authorization would be given on the understanding that full utilization of the contingencies would be made only in the event that the total amount is required.