

# **2021 REVIEW OF STAFF COMPENSATION FOR THE WORLD BANK GROUP AND AWARDS ALLOCATIONS**

February 23, 2021

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## GLOSSARY

Bank Group or WBG	The World Bank Group (WBG) consists of the International Bank for Reconstruction and Development (IBRD or the Bank), International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), International Development Association (IDA), and International Center for the Settlement of Investment Disputes (ICSID).
Board of Directors	The Executive Directors of IBRD, IDA, IFC and MIGA.
Country Office (CO) Staff	For purposes of this paper, Country Office staff refers to locally (country office)- appointed staff in locations outside of HQ.
FCS	Fragile and Conflict-affected Situations.
HQ	Headquarters based in Washington, D.C.
HQ Staff	HQ-appointed staff
Merit Element	Its main objective is to reward performance and is funded by salary erosion. For HQ, the merit element is capped up to 1.5% per year, and for each CO it is set at 1.5% per year.
Midpoint	The point in the World Bank Group’s salary ranges which aims to be aligned with the 75 <sup>th</sup> percentile of compensation at comparable levels in the respective local labor markets.
Performance Management System	The Bank Group’s individual performance rating system based on staff contribution and performance (ranging from a rating of 1 for ‘unsatisfactory’ performance up to a rating of 5 for ‘significantly exceeds expectations’).
Salary Erosion	Salary erosion is defined as the percentage decline in average WBG salaries over the course of the year. It arises largely from turnover and promotions (caused by inflows and outflows of staff, where more experienced staff leaving the organization or retiring staff are replaced by new recruits or newly promoted staff).
Salary Structure or Salary Scale	The set of salary ranges established for various grade levels. At the World Bank Group, the salary structure or salary scale has 11 salary ranges from GA to GK. Each grade has a minimum and a maximum (called a salary range) and a midpoint. In some country offices, the scale starts with G1 grade.

Structure Adjustment	The structure adjustment aligns the salary scales with the increases in labor market salary levels. This represents the increase resulting from aligning the midpoints to the new market values.
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## Executive Summary

1. This paper presents for Board approval (i) the 2021 (FY22) structure adjustments for WBG Headquarters (HQ) and Country Offices (CO) and (ii) the FY22 IBRD, IFC and MIGA budget allocations for each institution's awards programs.
2. The 2021 (FY22) Review of Staff Compensation was conducted in line with the rules set forth in the compensation methodology for HQ- and CO-appointed staff approved by the Board in June 2018 and March 2019, respectively.
3. As FY22 is the third and last year of the three-year compensation cycle, the 2021 structure adjustments were generally calculated by using salary movement projections for local public and private sectors. In line with the compensation methodology in place, comprehensive market surveys were conducted for (i) the Country Offices in FCS locations and (ii) Country Offices where Special Compensation Measures are currently applied, or a macroeconomic situation has severely deteriorated.
4. WBG awards programs recognize and reward teams and individuals who, in delivering results in alignment with the WBG's mission and objectives, have exhibited characteristics of exceptional performance, significant contributions, effort, innovation, collaboration, and leadership. IBRD, IFC and MIGA manage their own programs which are complemented by the joint WBG awards program. In FY21, the IBRD and MIGA awards program were revised and adapted to better respond to the urgent need for staff recognition in real-time that emerged from the COVID-19 experience.
5. For the 2021 (FY22) Review of Staff Compensation for the WBG, it is recommended that the Boards of Directors approve:
  - (i) The 2021 (FY22) structure adjustment of 2.1% to the salary ranges and their midpoints for HQ-appointed staff;
  - (ii) The 2021 (FY22) structure adjustments to the salary ranges and their midpoints for Country Office-appointed staff as specified in Annex A.
6. For the Awards, it is recommended that the Boards of Directors approve the FY22 budget allocations of:
  - (i) US\$4 million for the IBRD awards program which include the IBRD portion of the WBG Awards;
  - (ii) US\$31 million for the IFC awards program which include the IFC portion of the WBG Awards;
  - (iii) US\$500,000 for the MIGA awards program which include the MIGA portion of the WBG Awards.

## INTRODUCTION

1. This paper presents (i) the structure adjustments results of the 2021 (FY22) Review of Staff Compensation for the World Bank Group for Headquarters (HQ) and Country Offices (CO), and (ii) the FY22 IBRD, IFC and MIGA budget allocations for their awards programs.
2. The FY22 review represents the third and last year of the three-year (FY20-FY22) compensation cycle where the comprehensive market survey undertaken for the FY20 review is followed by two years of the application of market salary movement projections in local public and private sectors. In line with the compensation methodology in place, comprehensive market surveys were conducted for (i) the Country Offices in FCS locations and (ii) Country Offices where Special Compensation Measures are currently applied, or a macroeconomic situation has severely deteriorated.
3. The awards and recognition programs play a significant role in providing incentives and motivation, and a strong signal of the WBG Institutions' focus on critical strategic priorities. While some of these awards programs do not provide substantial financial amounts to staff, and in some cases, they provide non-monetary awards such as trophies or certificates, they help improve and reinforce desired behaviors, and increase staff engagement.
4. Though the coronavirus pandemic has severely hit almost all economies in the world and their labor markets, the impact on the labor market and local compensation varies depending on country-specific circumstances. The year 2020 witnessed the contrast between job losses in hard-hit sectors (such as food and tourism services, retail, and construction) and the positive job growth evident in a number of higher skilled services sectors (such as information and communication, and financial and insurance activities). Following last year's difficulties and challenges, most projections and indicators suggest that 2021 and the upcoming years will bring renewed exuberance in the labor markets across all country income groups. This optimism is reflected in pay trends projected by various market sectors in both developed and developing countries.
5. The WBG is delivering on its commitment to deploy up to US\$160 billion through June 2021 in surge financing as a response to shocks caused by the pandemic and is able to support countries with unparalleled scale and speed. This has been possible largely due to a highly dedicated performing staff and their commitment to the institution and its mission. Despite their own challenges in their personal lives, the staff have adjusted successfully to home-based work, increased significantly their productivity and been delivering on the expanded work program.
6. This paper is divided into three parts. The first part details the proposed annual structure adjustments. The second part presents the proposals for FY22 awards budget allocations. The summary of recommendations submitted for Board approval is presented in the third part.



## A.I. HEADQUARTERS – STRUCTURE ADJUSTMENT

7. With 2021 (FY22) as the third and final year of the compensation cycle, the 2021 structure adjustment was based on the 2021 published salary movement projections for the public and private sectors in the U.S. market.
8. The FY22 WBG HQ compensation review adheres to the rules stipulated in the compensation methodology as approved by the Board in June 2018. As a result, the FY22 structure adjustment for the HQ salary structure at grades GA-GI is proposed at 2.1%.
9. The salary ranges and midpoints for grades GJ and GK are adjusted by the HQ structure adjustment of 2.1% as the IMF's U.S. CPI movement forecast for FY22 is higher than the FY22 HQ structure adjustment for grades GA-GI.
10. The July 1, 2021 (FY22) salary structure for HQ-appointed staff is presented in Annex B.

## A.II. COUNTRY OFFICES – STRUCTURE ADJUSTMENT

11. The FY22 structure adjustments for Country Offices are based on the application of published projected salary movements in the local labor market. Under this approach, the 2019 (FY20) market-based salary scales were reviewed, and where applicable, scales were adjusted grade by grade, based on the local labor market compensation data which had been updated by applying the 2021 local market projected movements.
12. In line with the compensation methodology, the comprehensive market survey for determining the FY22 structure adjustments was applied for Country Offices in:
  - a. all FCS locations included in the Harmonized List of Fragile Situations in FY21<sup>1</sup>; and
  - b. countries under Special Compensation Measures or under severe macroeconomic distress.
13. In addition, Management identified 7 locations<sup>2</sup> where the comprehensive market surveys with the purchase of the latest market data were conducted in response to concerns about the WBG compensation lagging behind the local market and deterioration of the WBG competitiveness position in the country.
14. The proposed FY22 structure adjustments for Country Offices were determined in line with the compensation methodology and its rules approved by the Board in March 2019 and the specific structure adjustments are detailed in Annex A.

<sup>1</sup> <http://pubdocs.worldbank.org/en/888211594267968803/FCList-FY21.pdf>

<sup>2</sup> Bangladesh, Cambodia, Colombia, India, Kenya, Tonga and the United Kingdom.

### **A.III. FY22 SALARY INCREASE ENVELOPE**

15. For HQ, the total salary increase envelope is the sum of the structure adjustment plus the merit element. As laid down in the compensation methodology, the merit element cannot exceed 1.5% for HQ in FY22.

16. For country offices, the structure adjustment is complemented with a merit element that is set at 1.5% for each office, and these 2 elements will comprise the total salary increase envelope. Country offices with zero structure adjustment will only receive the merit element of 1.5%.

### **A.IV. SPECIAL COMPENSATION MEASURES**

17. In FY21, Special Compensation Measures were triggered in response to high depreciation or inflation by providing temporary support to CO-appointed staff (with local currency salaries) in 4 countries (Brazil, Lebanon, Nigeria and Turkey). Annex C lists all the countries where the Special Compensation Measures are in place.

18. Given the precarious situation in the Central African Republic and in particular its capital Bangui as a result of the post-election rebellions and isolation of the capital that resulted in significant spikes of food prices, the special allowance at 5% of staff grade midpoint for CO-appointed staff physically present in Bangui was triggered as of January 1, 2021. The allowance will be discontinued on June 30, 2021 at the latest if not earlier depending on the country situation.

### **A.V. FINANCIAL IMPLICATIONS**

19. The financial implications of the proposed structure adjustments for HQ and Country Offices will be included in the respective FY22 budgets of the individual WBG institutions.

### **B.I. WBG AWARDS**

20. Each WBG institution manages its own programs in alignment with respective business priorities. Individual institution's awards programs are complemented with Bank Group-wide programs to recognize staff and reward collaboration and priorities that have cross-cutting themes across the WBG. These programs are financed through joint funding provided by individual WBG institutions. As the individual WBG institution varies in its business nature, the type and design of awards programs, as well as level of incentives offered, also vary in terms of how each institution aligns with respective strategic priorities while creating and recognizing staff contributions and performance differentiation. The WBG's and each institution's awards and recognition programs are described in Annex D.

21. As of FY21, in response to the organization's needs that emerged in the course of the COVID-19 pandemic, changes to the IBRD awards have been implemented to:
- a. offer more recognition tools for better and increased appreciation of staff efforts in real-time;
  - b. make the programs fit-for-purpose, and to address staff concerns and suggestions coming from staff live chats, and user feedback; and
  - c. adapt the programs to be more flexible and responsive to changing conditions and circumstances, such as the public health crisis.
22. The successful implementation of IFC 3.0 requires an adequate alignment of incentives to encourage collaboration among staff across the World Bank Group and a sustained commitment to long-term engagement in challenging markets. Over the past two years, IFC has taken steps to steer its incentives framework in that direction, including adjusting its awards programs to further acknowledge staff, across the World Bank Group, for exceptional work in delivering IFC 3.0. Currently, IFC's awards and recognition programs have several integrated components that come together to recognize staff's annual and multi-year achievements. The programs emphasize strategic priorities including Upstream, the Cascade, and delivery in Low-Income IDA and FCS countries. Critical behaviors such as collaboration, partnership, and knowledge sharing which are essential to the delivery of IFC's strategy are also recognized and rewarded.
23. The MIGA EVP Award Program is an important part of how the MIGA Management Team rewards and recognizes outstanding performance consistent with the World Bank Group's core values and Agency priorities as detailed in the FY21-23 Strategy and Business Outlook. In FY21, MIGA revised its Awards program to reflect extraordinary contributions at different levels: the World Bank Group Level; the Corporate Level; the Team Level and the Individual Level.

## **B.II. AWARDS BUDGET ALLOCATIONS**

24. The IBRD awards budget has not been adjusted since FY17. To this end, it is proposed that the IBRD awards budget be increased from US\$3.8 million to US\$4 million to adjust for inflation. The requested budget allocation of US\$4 million, includes the IBRD portion of the WBG Awards.
25. IFC's award budget request of US\$31 million for FY22 remains unchanged from the previous year. Budget spent will remain linked to institutional performance parameters. This amount includes the IFC portion of the WBG Awards.
26. IFC shares the WBG single and unified salary structure. However, as IFC is a private sector-oriented institution, a higher private sector weight would better reflect staff composition and skills needed. Based on the Board-approved methodology, the maximum awards budget allocation is defined as the difference between the existing WBG pay-line and potential IFC-only pay-line. The potential IFC-only pay-line is based on a more appropriate (i) private sector weight (75% private sector), as well as (ii) staff weight based on Job Family, to mirror IFC's staff profile.

27. Subject to budget trajectory/discipline, efficiencies, institutional performance parameters and Board approval, IFC can request an annual awards budget allocation up to the calculated difference in the pay-lines. Annex E provides additional details on the IFC Awards methodology.

28. The requested MIGA budget allocation is US\$500,000. This allocation remains unchanged from the FY21 allocation approved in the MIGA FY21 Administrative Budget. The MIGA awards program primarily aims at: incentivizing collaboration across the WBG, delivering the WBG Core Value of Impact, Innovation, Teamwork, Integrity and Respect; delivery of the Agency's medium-term strategy with its focus on IDA, FCS and climate finance.

## C. SUMMARY OF RECOMMENDATIONS

29. For the 2021 Review of Staff Compensation for the WBG, it is recommended that the Boards of Directors approve:

- (i) the 2021 (FY22) structure adjustment of 2.1% to the salary ranges and midpoints for HQ-appointed staff;
- (ii) the 2021 (FY22) structure adjustments to the salary ranges and midpoints for Country Office-appointed staff as specified in Annex A.

30. For the Awards, it is recommended that the Boards of Directors approve the FY22 budget allocations of:

- (i) US\$4 million for the IBRD awards program which includes the IBRD portion of the WBG Awards;
- (ii) US\$31 million for the IFC awards program which includes the IFC portion of the WBG Awards;
- (iii) US\$500,000 for the MIGA awards program which includes the MIGA portion of the WBG Awards.

## Annex A: 2021 (FY22) Structure Adjustments – Country Offices

The FY22 individual country office structure adjustments are presented by WBG Office location in alphabetical order.

Table 1: FY22 Structure Adjustments by WBG Country Office

No.	Country	Region	Structure Adjustment
1	Afghanistan	SAR	0.0%
2	Albania	ECA	0.0%
3	Algeria	MNA	3.8%
4	Angola	AFE	0.0%
5	Argentina	LCR	49.6%
6	Armenia	ECA	0.0%
7	Australia	EAP	0.5%
8	Austria	ECR	1.8%
9	Azerbaijan	ECA	1.5%
10	Bangladesh	SAR	5.3%
11	Belarus	ECA	0.0%
12	Belgium	ECR	0.0%
13	Benin	AFW	2.0%
14	Bhutan	SAR	4.6%
15	Bolivia	LCR	4.1%
16	Bosnia and Herzegovina	ECA	0.0%
17	Botswana	AFE	3.0%
18	Brazil	LCR	2.9%
19	Bulgaria	ECA	1.7%
20	Burkina Faso	AFW	5.0%
21	Burundi	AFE	0.0%
22	Cabo Verde	AFW	1.2%
23	Cambodia	EAP	2.8%
24	Cameroon	AFW	0.0%
25	Central African Republic	AFW	0.0%
26	Chad	AFW	2.9%
27	Chile	LCR	2.7%
28	China	EAP	0.0%
29	Colombia	LCR	1.7%
30	Comoros	AFE	5.1%
31	Congo, Democratic Republic of	AFE	0.0%
32	Congo, Republic of	AFW	0.0%
33	Costa Rica	LCR	0.9%
34	Cote d'Ivoire	AFW	0.0%
35	Croatia	ECA	0.8%
36	Denmark	ECR	0.9%
37	Djibouti	MNA	0.0%
38	Dominican Republic	LCR	4.0%

No.	Country	Region	Structure Adjustment
39	Ecuador	LCR	1.1%
40	Egypt	MNA	0.0%
41	El Salvador	LCR	0.0%
42	Equatorial Guinea	AFW	2.2%
43	Ethiopia	AFE	0.0%
44	Fiji	EAP	1.1%
45	France - Marseilles	ECR	0.0%
46	France - Paris	ECR	0.0%
47	Gabon	AFW	0.0%
48	Gambia, The	AFW	0.0%
49	Georgia	ECA	2.5%
50	Germany	ECR	0.0%
51	Ghana	AFW	11.7%
52	Guatemala	LCR	2.1%
53	Guinea	AFW	8.0%
54	Guinea Bissau	AFW	0.0%
55	Guyana	LCR	2.6%
56	Haiti	LCR	3.4%
57	Honduras	LCR	3.7%
58	Hong Kong SAR, China	EAP	0.5%
59	India	SAR	3.3%
60	India - Chennai	SAR	3.7%
61	Indonesia	EAP	0.0%
62	Iraq	MNA	1.0%
63	Italy	ECR	0.0%
64	Jamaica	LCR	5.4%
65	Japan	ECR	0.0%
66	Jordan	MNA	1.4%
67	Kazakhstan	ECA	0.0%
68	Kenya	AFE	2.1%
69	Kiribati	EAP	0.0%
70	Korea, Republic of	EAP	0.0%
71	Kosovo	ECA	1.2%
72	Kuwait	MNA	2.3%
73	Kyrgyz Republic	ECA	0.0%
74	Lao, People's Democratic Republic	EAP	4.9%
75	Lebanon	MNA	0.0%
76	Lesotho	AFE	4.5%
77	Liberia	AFW	0.0%
78	Madagascar	AFE	0.0%
79	Malawi	AFE	9.5%
80	Malaysia	EAP	0.0%
81	Maldives	SAR	2.7%

No.	Country	Region	Structure Adjustment
82	Mali	AFW	0.0%
83	Mauritania	AFW	0.0%
84	Mauritius	AFE	3.2%
85	Mexico	LCR	3.3%
86	Moldova	ECA	2.3%
87	Mongolia	EAP	0.0%
88	Montenegro	ECA	0.0%
89	Morocco	MNA	0.0%
90	Mozambique	AFE	0.0%
91	Myanmar	EAP	6.2%
92	Nepal	SAR	6.0%
93	Nicaragua	LCR	0.0%
94	Niger	AFW	1.7%
95	Nigeria	AFW	0.0%
96	North Macedonia	ECA	0.0%
97	Pakistan	SAR	5.9%
98	Panama	LCR	0.2%
99	Papua New Guinea	EAP	0.0%
100	Paraguay	LCR	3.2%
101	Peru	LCR	1.9%
102	Philippines	EAP	2.4%
103	Poland	ECA	0.0%
104	Romania	ECA	2.5%
105	Russian Federation	ECA	0.0%
106	Rwanda	AFE	1.0%
107	Samoa	EAP	0.0%
108	Saudi Arabia	MNA	0.8%
109	Senegal	AFW	0.0%
110	Serbia	ECA	1.9%
111	Sierra Leone	AFW	0.0%
112	Singapore	EAP	0.0%
113	Solomon Islands	EAP	3.0%
114	South Africa	AFE	3.9%
115	South Sudan	AFE	0.0%
116	Sri Lanka	SAR	0.0%
117	Sudan	AFE	0.0%
118	Switzerland	ECR	0.0%
119	Tajikistan	ECA	0.0%
120	Tanzania	AFE	3.7%
121	Thailand	EAP	0.0%
122	Timor-Leste	EAP	0.0%
123	Togo	AFW	1.5%
124	Tonga	EAP	0.8%

No.	Country	Region	Structure Adjustment
125	Tunisia	MNA	5.3%
126	Turkey - Ankara	ECA	11.9%
127	Turkey - Istanbul	ECA	11.9%
128	Turkmenistan	ECA	2.0%
129	Uganda	AFE	4.5%
130	Ukraine	ECA	0.0%
131	United Arab Emirates	MNA	1.5%
132	United Kingdom	ECR	1.2%
133	United States - New York	ECR	2.1%
134	Uruguay	LCR	8.2%
135	Uzbekistan	ECA	5.0%
136	Vanuatu	EAP	2.4%
137	Vietnam	EAP	0.0%
138	West Bank and Gaza	MNA	0.0%
139	Yemen	MNA	0.0%
140	Zambia	AFE	13.3%
141	Zimbabwe	AFE	0.0%



## Annex B: July 1, 2021 HQ Salary Scale

The annual net salary scale for HQ-appointed staff as of July 1, 2021 is shown in Table 2.

Table 2: July 1, 2021 HQ Salary Scale

WBG Grade	Minimum (US\$)	Midpoint (US\$)	Maximum (US\$)
<b>GA</b>	29,300	41,800	54,300
<b>GB</b>	35,100	50,200	65,300
<b>GC</b>	43,400	62,000	80,600
<b>GD</b>	51,500	73,600	95,700
<b>GE</b>	70,600	100,900	131,200
<b>GF</b>	93,400	133,400	173,400
<b>GG</b>	120,800	172,600	224,400
<b>GH</b>	165,300	236,100	306,900
<b>GI</b>	254,000	317,500	381,000
<b>GJ</b>	301,000	354,100	407,200
<b>GK</b>	334,600	393,600	452,600

## Annex C: Special Compensation Measures

1. Table 3 identifies the country offices where Special Compensation Measures (SCM) have been implemented in FY21. Out of the 7 countries listed, Argentina, Brazil, Turkey and Zambia are currently under the SCM due to depreciation. Lebanon, Nigeria and Haiti are under the SCM due to inflation. In FY21, the SCMs were triggered for Brazil, Lebanon, Nigeria and Turkey.

**Table 3: Overview of Countries under SCMs in FY21**

Region	Country	Inflation SCM	Depreciation SCM
AFR	Nigeria	Applied	
AFR	Zambia		Applied
ECA	Turkey		Applied
LCR	Argentina		Applied
LCR	Brazil		Applied
LCR	Haiti	Applied	
MNA	Lebanon	Applied	

2. As of July 1, 2020, the Special Compensation Measure due to depreciation is a time-bound measure in its application. However if the year-on-year exchange rate continues to be at or above the qualification thresholds in the last two months of the 12-month period, the Special Compensation Measures due to depreciation continue to be applied since the qualification criteria for the application of the measure are met and the 12-month period commences again.

## Annex D: WBG Awards

### WBG AWARDS PROGRAM

1. **The Service Recognition Program** recognizes staff members at significant points in their career and acknowledge their contribution to the work of the WBG. The program includes both recognition for length of service and recognition at retirement. Through the Length of Service Recognition Program, staff are honored on the occasion of their 10-, 20-, 30-year anniversary of service with the WBG. Through the Retirement Appreciation Award, the WBG staff who retire after reaching 20 years of continuous service are eligible to receive US\$1,200.

### IBRD AWARDS PROGRAM

2. **VPU Team Awards** recognize teams that, in delivering an activity during the prior year, focused on the WBG core values: impact, integrity, respect, innovation, and teamwork, as well as on supporting the FCV agenda and the achievement of VPU-specific objectives. Monetary awards range between US\$400 and US\$2,000 (or equivalent in the salary currency), for as long as combined awards do not exceed 5% of staff's grade midpoint.

3. **Outstanding Team Awards** recognize teams that have delivered an activity focused on the WBG core values: impact, integrity, respect, innovation, teamwork, and the achievement of unit-specific objectives. This program is available to units with fewer than 50 eligible staff that may administer it in lieu of the Above and Beyond Awards program. Monetary awards range between US\$100 - US\$400 (or equivalent in the salary currency).

4. Formerly known as the Spot Awards program, the **Above and Beyond Awards** have been introduced to expand the former program's reach and allow VPUs to provide recognition to all their staff, irrespective of grade levels. The Above and Beyond Awards recognize extraordinary efforts and contributions made by individual staff and teams to realize the World Bank Group's goals. The program allows timely recognition of staff / team accomplishments and may be granted at any time during the year. Monetary awards may be up to US\$400 (or equivalent in the salary currency). The **Bravo Awards** program for a select few units (e.g. WB BPS, GCS, ITS, SPA)<sup>3</sup> forms a sub-category of the Above and Beyond Awards and VPU Team Awards, where funds are re-purposed under this program. The Bravo Awards is peer-to-peer points-system type of program (where points are redeemable for small monetary awards) to recognize worthy efforts and behaviors of staff, peers and colleagues, thus promoting a culture of appreciation and recognition.

5. **Finance Partners Performance Awards** align collective and collaborative performance with the Finance group-wide business objectives and thematic goals. The program links the Finance Partners group objectives to rewards, to encourage staff to collectively deliver on Finance VPU results and support one another within and across the Finance VPUs. This program is a foundation for measuring and rewarding annual achievements and recognizing outstanding staff and team performance towards collective delivery and results. Monetary awards range between 2% and 10% of the midpoint salary of recipient's grade.

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<sup>3</sup> Budget, Performance Review and Strategic Planning, Global Corporate Solutions, Information and Technology Solutions, and Strategy, Performance and Administration Department.

## IFC AWARDS PROGRAMS

6. **IFC Corporate Award Program** is an integral part of how the IFC Management team rewards and recognizes outstanding performance consistent with IFC's core values and corporate priorities in the following categories: (1) Low-income IDA and FCS countries, (2) Upstream and the Cascade, (3) IFC delivery to clients and supervision, and (4) Corporate initiatives. These monetary awards can range between 2% and 10% of the midpoint salary of the recipient's grade.

7. In addition, IFC introduced a **Top 30 individual award category** since FY18. These awards are designed to recognize staff across the WBG – including IFC, MIGA and WB – for their exceptional commitment and delivery on IFC's strategic priorities over multiple years, with an emphasis placed on Low-Income IDA and FCS countries and the Creating Markets agenda, including Upstream efforts. These monetary awards are set at 15% of the midpoint salary of the recipient's grade.

8. **IFC Departmental Performance Awards** distinguish extraordinary efforts, achievements, and positive behaviors consistent with IFC's core values. The program rewards individuals and considers corporate and departmental performance achievements. All staff with a performance rating of 4 or 5 receive a standardized award amount. Staff with a rating of 3.5 are eligible to be selected by their department for a standardized award based on relative performance and budget availability. These monetary awards can range between 2% and 15% of the midpoint salary of the recipient's grade. In addition, given the significant progress made in advancing the Upstream work, IFC implemented an Upstream top-up of five percent which granted higher payouts to staff who meaningfully contributed to Upstream activities during FY20.

9. **IFC Spot Awards** recognize extraordinary efforts and special contributions made by individual staff for a specific project or program over a relatively short time period. Monetary awards under the spot awards program may be up to US\$200 (or equivalent in the salary currency).

10. **IFC Upstream Milestone Awards** are designed to recognize staff across IFC and the WBG who contributed to: (i) an Upstream engagement reaching a major interim milestone, (ii) an Upstream engagement that has converted successfully into an investment mandate, (iii) the disciplined droppage of a non-viable Upstream engagement, or (iv) working across boundaries to 'assist' another department to initiate an Upstream intervention or with a new business opportunity. Monetary awards under the Upstream Milestone Awards program range from US\$1,000 to US\$2,500 (or equivalent in the salary currency).

## MIGA AWARDS PROGRAM

11. **MIGA's World Bank Group ('Partnership') Award** recognizes staff in World Bank and IFC who have helped MIGA delivery on the Agency's strategic priorities during the year, including on business origination, project monitoring, and pre-claims. Only token awards are applicable in this category and the value of such awards is set at up to US\$100.

12. **MIGA's Corporate Award** is designed to ensure the entire Agency is focused on the strategic goals of the Agency – and awards of up to US\$2,000 per staff are possible depending on the Agency's performance.

13. **MIGA's Team Awards** are given to members of up to five teams, which have delivered exceptional performance against the World Bank Group's Core Value of Innovation, Teamwork, Respect, Integrity and Impact. Team members are awarded up to 2.5% of the midpoint salary of the recipient's grade.

14. **MIGA's Individual Awards** are available to staff who have delivered exceptional performance vis-à-vis the World Bank Group Core Values. The exact structure and award value of this awards program will be devised in FY21Q3-4.

## Annex E: IFC Awards Methodology

1. Using the same methodology to define the WBG pay-line, IFC will calculate the difference between the WBG pay-line to which all salaries will be pegged, and what an IFC-only pay-line would be, based on (i) a more appropriate private sector basket (75% Private/25% Public) in relation to IFC hiring sources (which show a 92% Private/8% Public mix), and (ii) a more appropriate set of staff weights by Job Family to reflect IFC's staff profile as shown in Table 4 based on 2019<sup>4</sup> staffing profiles.
2. The increased emphasis on the finance and investment job families (as per the IFC's staff composition) would increase the midpoints of the salary range for grades GF-GI. This differential will be utilized to estimate the maximum award envelope IFC can request to allocate to its awards programs. Since the differential is based on the HQ compensation methodology, for country offices a projected difference will be estimated based on the wage bill split between HQ and Country Office staff.

**Table 4: 2019 Staff Weights by Job Family at Grades GE-GI – WBG and IFC**

<b>WBG Core Business and Technical</b>					
<b>Grade</b>	Economist	Finance	Investment	Operations	Technical Specialists
<b>GE</b>	9%	8%	7%	20%	7%
<b>GF</b>	15%	10%	6%	15%	19%
<b>GG</b>	16%	10%	7%	16%	30%
<b>GH</b>	14%	13%	15%	20%	21%
<b>GI</b>	15%	11%	11%	31%	14%
<b>GE-GI</b>	15%	10%	8%	17%	22%

<b>IFC Core Business and Technical</b>					
<b>Grade</b>	Economist	Finance	Investment	Operations	Technical Specialists
<b>GE</b>	9%	13%	26%	13%	2%
<b>GF</b>	4%	22%	29%	24%	1%
<b>GG</b>	4%	10%	29%	25%	13%
<b>GH</b>	2%	14%	48%	13%	11%
<b>GI</b>	2%	21%	47%	13%	4%
<b>GE-GI</b>	4%	14%	35%	19%	9%

<sup>4</sup> As the 2021 (FY22) HQ review is based on an application of the published U.S. salary movement projections, the 2019 staffing profile was used.