

**Administrative Committee
on Co-ordination**ACC/1982/FB/15
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**CURRENCY OF SALARY PAYMENTS:
CCAQ COUNTRY-WIDE EXCEPTIONS TO THE
STANDARD FORMULA**Note by the United Nations and UNDP

1. At the last session, CCAQ reviewed recommendations by the United Nations and UNDP to return the currency of salary distribution in Bangladesh and Ethiopia to the standard 30/70 formula, and decided to maintain both duty stations in the exception list, pending further review at the fifty-sixth session.^{1/} The Committee also requested the United Nations and UNDP to review the currency of salary payments in Somalia. Consequently, a further review of conditions in these duty stations is provided herein.

2. The proposal made at the fifty-fifth session to return Bangladesh to the 30/70 standard formula was on the basis of the latest place-to-place survey, which had shown local-currency expenditures well in excess of the 20 per cent at which the local currency portion of salary was being maintained. Further consultations held with the Resident Representative since the session have confirmed that a return to the standard formula was justified, it being understood that the facility for personal exceptions for hardship cases would remain open.

3. As regards Ethiopia, which has had a 10/90 payment distribution, further review by the United Nations with its local office confirms the increasing use of local currency. Rent, food, most services and other items are payable in such currency. However, it has been determined, in consultation with the United Nations office, that a revision to a 20/80 payment distribution, leaving open the personal exception facility for staff residing in hotels where rates are payable in hard currency, would be appropriate at this time.

^{1/} Note by the secretariat: The current list of exceptions is appended to the present paper for reference.

4. As requested by the Committee, the United Nations and UNDP have reviewed conditions in Somalia, where dual exchange rates have existed since July 1981. The UNDP Resident Representative has advised that staff of international organizations have been required to convert foreign currency at the official rate (6.23 Somali shillings to 1 US dollar), which is also the United Nations operational rate and is less favourable than the parallel rate (12.46 Somali shillings to 1 US dollar). Moreover, staff may reconvert Somali shillings into US dollars only at the parallel rate. The United Nations and UNDP note, however, that the existence of a two-tier exchange rate does not per se warrant an exception to the standard formula; exceptions must in every case result from genuine difficulty in the utilization of local currency. As indicated at the last session, UNDP guidelines with regard to reconvertng local currency into convertible currency at the United Nations operational rate of exchange (6.23 Somali shillings to 1 US dollar) upon completion of assignment and departure from duty station are generous, and should normally meet all requirements of staff. In addition, the determination of post adjustment levels for a particular duty station is based on the operational rate of exchange. Consequently, the United Nations and UNDP conclude that the situation does not warrant an exception to the normal payment arrangements.

5. In line with a continuing review of conditions, the United Nations and UNDP will inform the Committee at its next session of the results of a recent place-to-place survey of Uganda, which is expected to be completed shortly, and will also report on the latest place-to-place study of Viet Nam, preliminary results of which show an increasing utilization of dong in excess of 20 per cent of total average expenditures.

ANNEX

CCAQ country-wide exceptions to the
standard formula
for the currency of salary payments

<u>Country</u>	<u>Percentage payable in:</u>	
	(a) <u>Duty station</u> <u>* currency</u> (minimum net monthly) <u>z</u>	(b) <u>Any single</u> <u>other currency</u> (maximum net monthly) <u>z</u>
Algeria	30 <u>1/</u>	70
Angola	0	100
Bangladesh	20	80
Cape Verde	10	90
Equatorial Guinea	10	90
Ethiopia	10	90
Ghana	20	80
Guinea	20	80
Guinea-Bissau	10	90
Lao People's Democratic Republic	0	100
Lebanon	10	90
Maldives	10	90
Mozambique	20	80
Sao Tome and Principe	10	90
Sudan	20	80
Uganda	0	100
Viet Nam	0	100
Windward and Leeward Islands <u>2/</u>	10	90
Zaire	10	90

1/ Of this, 30 per cent is payable in convertible dinars and 70 per cent in non-convertible dinars.

2/ Covers Antigua, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent and the Grenadines.