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## UNITED NATIONS SALARY SYSTEM

### Report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twenty-seventh session

1. By resolution 2743 (XXV) of 17 December 1970, the General Assembly set up a Special Committee for the Review of the United Nations Salary System consisting of government experts from eleven Member States. The report of that Committee is before the General Assembly at its current session. 1/ In accordance with the provisions of paragraph 8 of Assembly resolution 2743 (XXV), comments on the report have been submitted by the International Civil Service Advisory Board (ICSAB). 2/ The Fifth Committee also has before it the comments of the Secretary-General on the report of the Special Committee (A/8839 and Corr.1 and Add.1) and a statement of the Federation of International Civil Servants' Associations (FICSA) (A/C.5/1466). Before preparing the present report, the Advisory Committee had discussions with representatives of the Secretary-General, of the specialized agencies and of FICSA.

2. The reports before the Fifth Committee do not provide generally agreed recommendations on all the aspects of the current United Nations system of salaries and allowances. The need for further study of several of those aspects was recognized by the Special Committee, which proposed that they be entrusted to an intergovernmental civil service commission. The General Assembly specifically requested ICSAB to submit comments on the report of the Special Committee and, while concurring in certain of the latter's conclusions, the Board indicates that "in the course of its study /it/ encountered a number of difficulties of assessment, as well as seeming ambiguities in certain recommendations in the report". 3/ In the paragraphs setting out its views on the Special Committee's

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1/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 (A/8728 and Corr.1), vols. I, II and III.

2/ Ibid., Supplement No. 28A (A/8728/Add.1).

3/ Ibid., para. 9.

recommendations, ICSAB repeatedly states that it sees the need for further expert study. In his comments, the Secretary-General expresses reservations on both the procedures followed by the Special Committee and the substance of certain recommendations. And FICSA, for its part, has expressed reservations in even stronger terms.

3. The diversity of views expressed in the report of the Special Committee and the mixed reaction generated should not be allowed to obscure the value of the extensive information which that Committee has placed at the disposal of Member States. The detailed documentation provided by the Special Committee bears witness to the complexity and difficulty of the task with which it was entrusted. In the time available to the Advisory Committee at its current session, it would clearly be impossible for it to attempt to cover the same ground and submit observations on all the specific recommendations of the Special Committee relating to pay and other conditions of service. Indeed, in some respects that would be outside the terms of reference of the Advisory Committee, which "shall deal with personnel matters only in their budgetary aspects" (General Assembly resolution 14 A (I)).

4. The salaries and related allowances of staff of the United Nations, the specialized agencies and related voluntary programmes account for well over half their administrative budgets; the level of those salaries and allowances is therefore a matter of major importance to the Member States which finance the organizations' activities through assessments or voluntary contributions. At the same time, the level of remuneration is a major factor - albeit not the only one - that determines the calibre of the staff the organizations can attract and retain. The Advisory Committee agrees, therefore, that before decisions are taken on the merits of a question which directly affects the efficiency of the secretariats of all the organizations in the United Nations system, further consultation and expert study is required.

5. As is stated in paragraph 2 above, the Special Committee has recommended the establishment of an intergovernmental civil service commission. The Special Committee's recommendations on the appointment, composition and functions of such a Commission are summarized in paragraph 25 (b) of its report. Both ICSAB <sup>4/</sup> and the Secretary-General (A/8839/Add.1) discuss the proposal in considerable detail and express themselves in favour of an international civil service commission. In regard to the functions of a civil service commission, there is little disagreement among the parties concerned. Although some important differences exist on other aspects of the proposal, the Advisory Committee believes that the need for the establishment of a commission has been recognized and that the General Assembly could take steps at its current session to establish the commission.

6. One aspect of the proposal where conceptual differences exist is that of the character of the commission, with particular reference to the responsibility

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<sup>4/</sup> Ibid., paras. 41-46.

and independence of the commissioners. The report of the Special Committee does not deal with that aspect beyond recommending that the commission should be an intergovernmental organ. But the Chairman of the Special Committee informed ICSAB that the organ recommended by his Committee would consist of commissioners designated by their respective Governments and responsible to them. The views of ICSAB are set out in paragraph 46 of its comments, which were issued as an addendum to the report of the Special Committee. The Board "was unanimous in believing that the ruling principle in drawing up the statute for such a commission must be that it be so constituted and so appointed as to command the confidence of Member Governments, of the executive heads and of the staffs, and to assure its independence". 5/ The Board defined the latter concept as independence from "executive heads, staff associations and unions, and Governments". 5/ The views of the Secretary-General and his colleagues in the Administrative Committee on Co-ordination (ACC) are similar to those of ICSAB. 6/

7. The calibre and expertise of the members of the commission will also be of paramount importance. All the parties concerned - be it the membership, the executive heads or the staff - are vitally interested in ensuring that the proposed commission should consist of individuals of recognized expertise, standing and experience. A membership having the requisite qualifications would be possible for both an "intergovernmental" and an "international" commission, although the latter approach would broaden the field of choice.

8. But even the most expert commission would find it difficult to function efficiently and effectively unless all the parties concerned believed that it would be responsive to their legitimate interests. The executive heads and the staff are of the view that an independent commission of the type advocated by ICSAB would provide better guarantees in that respect than one consisting of commissioners under instructions from their respective Governments. The Advisory Committee agrees with that view, although it would point out that a commission similar in character to the Advisory Committee itself or the Committee on Contributions would also meet the criterion of independence. The Committee accepts, however, that given the concerns expressed by the executive heads and the staff, a more wide-ranging process of selection would be more likely to command the confidence of all the parties concerned. In this connexion, it must be borne in mind that the specialized agencies together employ more than half of the total staff in the United Nations system.

9. Naturally the interests of the Member States must also be safeguarded. In this context, the Advisory Committee notes that, while a commission of the type advocated by ICSAB can be described as international in character, it would still be an intergovernmental organ in the sense that it would, as ICSAB has suggested, be accountable as a body to the General Assembly. This concept of the commission is also implicit in the Secretary-General's proposal that ultimate

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5/ Ibid., para. 46.

6/ Ibid., paras. 41-46.

authority for the appointment of the commissioners should rest with the General Assembly through which the collective views of Member States are expressed.

10. The Special Committee has recommended that the commission should consist of 13 members. The International Civil Service Advisory Board did not address itself to the size of the commission beyond restating its earlier view that the commission should be "compact". <sup>7/</sup> The Secretary-General and his colleagues in ACC clearly regard 13 as the maximum size for the commission (A/8839/Add.1, para. 4). The Advisory Committee agrees that a commission of more than 13 members would be too large to deal expeditiously with the numerous complex technical problems with which it will be confronted. In the Committee's opinion, 13 should be regarded as the maximum membership; a somewhat smaller number should not be ruled out if that can be reconciled with the principle of broad geographical representation.

11. The Secretary-General suggests a process of nomination which, in the view of ACC, would give general confidence in the competence and impartiality of the commissioners (A/8839/Add.1, para. 6). The Advisory Committee was informed that the phrase "normal process of consultation" meant consultations with Member States, the executive heads and the staff. The Secretary-General is not suggesting a tripartite body along the lines of the United Nations Joint Staff Pension Board. The Advisory Committee agrees that the seats on the commission should not be distributed to persons designated as representatives of the membership, the administrations or the staff, as the case may be, but that all the members of the commission should regard themselves as being accountable as a body to the General Assembly.

12. The Advisory Committee, however, is not convinced that the procedures outlined by the Secretary-General (A/8839/Add.1, para. 6) are best calculated to achieve the objective which ACC had in mind. In particular, the Advisory Committee questions whether the elective process envisaged by the Secretary-General could be relied upon to produce the right blend of qualifications, outlook and geographical distribution. Such a process might also deter well-qualified persons from offering their services. The Committee believes, therefore, that quiet diplomacy might achieve a better and more balanced commission, subject always to consideration and final decision by the General Assembly. If Member States require further assurance that their interests are not being overlooked, the Advisory Committee could play a part in this more informal method of selecting and sifting candidates for appointment to the commission.

13. When procedures involve informal consultations with several interested parties, it is not easy to define them in every detail. Their broad outline, however, would be as follows:

For the purpose of selecting candidates for appointment to the commission, the Secretary-General will hold consultations with Member

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<sup>7/</sup> Ibid., para. 44.

States, the executive heads of the organizations in the United Nations common system and representatives of the staff. The candidates must possess the requisite personal qualifications and experience and be selected on the basis of broad geographical representation. After obtaining the concurrence of the Advisory Committee, the Secretary-General will submit to the General Assembly for consideration and decision a roster of candidates, together with their curricula vitae and other relevant information. The first roster would contain 13 names, if that were the agreed size of the commission; the size of subsequent rosters would depend on the number of vacancies which would have to be filled on each occasion in accordance with the commission's terms of reference.

14. The Advisory Committee has assumed that it would not be possible to bring the commission into being before 1 January 1974. An earlier date would not permit the necessary consideration by the governing bodies of the specialized agencies or provide adequate time for the necessary consultations and the completion of the preparatory work. On the other hand, the Advisory Committee believes that every effort should be made to inaugurate the commission at the beginning of 1974, since any further delay would not be in the interests of any of the three parties concerned. The Committee recommends that ICSAB should be kept in being until such time as the new commission is established and becomes operational.

15. If the General Assembly approves the above time-table, steps should be taken early in 1973 to formulate the draft terms of reference of the commission and to elucidate the associated administrative and budgetary questions. This task could be entrusted in the first instance to the Secretary-General and his colleagues in ACC on the understanding that they would consult as necessary with staff representatives and ICSAB and would submit their recommendations to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions well before the opening of the twenty-eighth session of the General Assembly.

16. In its recommendations, the Special Committee provides for a full-time chairman of the commission and, if the General Assembly deems it desirable, one or two full-time members. The Secretary-General and his colleagues in ACC accept the need for a maximum of three full-time commissioners to deal with the continuing functions of the commission. The Advisory Committee agrees that the commission will require a full-time Chairman, who would guide the commission's secretariat in the performance of the tasks entrusted to it by the commission and would ensure the continuity of the commission's functions. The Committee is not equally convinced of the need for additional full-time commissioners. It believes that a decision on that point can be made only after the terms of reference of the commission have been drawn up and the duties and responsibilities of the commissioners have been defined.

17. On the basis of the foregoing considerations, the Advisory Committee suggests that the General Assembly might:

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(a) Decide to establish as of 1 January 1974 an international civil service commission consisting of not more than 13 experts appointed in their individual capacity by, and answerable as a body to, the General Assembly;

(b) Take note of the report of the Special Committee, the comments of ICSAB and the related documentation, and decide to transmit them to the commission, after it has been constituted, for consideration and report;

(c) Invite the governing organs of the specialized agencies in the United Nations common system to offer such observations as they may have on the proposed international civil service commission;

(d) Request the Secretary-General, together with his colleagues in ACC, and after such consultations as they may deem necessary, to prepare draft terms of reference and procedures of the international civil service commission, including conditions of service for the commissioners, method of selection of the staff of the commission, methods of consultation with representatives of the administrations and staff, and other administrative, budgetary and financial provisions, and to submit a report thereon through the Advisory Committee to the General Assembly at its twenty-eighth session;

(e) Request the Secretary-General and his colleagues in ACC to initiate consultations with a view to the compilation of a roster of candidates for appointment to the commission, and to seek the concurrence of the Advisory Committee, in time for consideration and final decision by the General Assembly at its twenty-eighth session;

(f) Decide to continue ICSAB until such time as the commission is constituted and becomes operational.

18. Should the General Assembly endorse the above suggestions, no financial implications would arise under the budget of the United Nations for 1973.

19. The Advisory Committee notes that the Secretary-General proposes to submit budget estimates for the first and second year of operation of the commission to the General Assembly at its twenty-eighth session (A/8839/Add.1, para. 10). The Committee believes, however, that before the Assembly takes a decision to establish the commission, it should, as a minimum, be aware of the potential costs involved. Accordingly, it has obtained from the Secretary-General his tentative estimate of the costs in question (see annex below). As the Secretary-General indicates, the estimate represents merely an order of magnitude. Given the many uncertainties involved, the Committee is unable to submit specific observations and recommendations at this stage and will reserve them until after the Secretary-General has drawn up the budget estimates referred to above. The Committee trusts, however, that when preparing those estimates the Secretary-General will pay attention to the savings in personnel services that should flow from the concentration in one unit of functions which are now dispersed among the organizations in the United Nations common system.

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ANNEX

TENTATIVE ESTIMATE OF COSTS OF AN INTERNATIONAL CIVIL SERVICE COMMISSION

Note by the Secretary-General

1. The Advisory Committee on Administrative and Budgetary Questions has asked to be provided with an estimate of the potential cost of the proposed international civil service commission. The information given in the present paper is based on certain general assumptions, which may be modified to some extent in the course of the formulation, in co-operation with the other organizations in the common system, of a draft statute for submission to the General Assembly at its twenty-eighth session. Accordingly, the financial implications submitted at this time are tentative and represent only an order of magnitude.
2. The main assumptions are that:
  - (a) The Commission will have three full-time members who will receive an appropriate remuneration; the other 10 members will serve on a part-time basis and will be entitled only to travel and subsistence payments;
  - (b) About 25 posts, which are currently available to the secretariats of the United Nations, the specialized agencies and certain interagency units (ICSAB and the Consultative Committee on Administrative Questions) for the performance of functions which would fall within the new commission's terms of reference, would be transferred to the commission and charged to its budget;
  - (c) In addition, during the first year of operation, the commission would require 10 to 15 other staff to undertake initial research assignments in respect of salaries and allowances, grading standards, recruitment and recruitment standards, staff training, and common staff rules and regulations.
3. On this basis, the total cost of the commission during the first year of its operation is estimated at \$825,000, excluding possible additional expenditures for office accommodation, furniture and equipment, documentation and interpretation.
4. The share to be borne by the United Nations, assuming that it would pay 33 per cent of the costs, would be in the amount of some \$275,000.
5. Offsetting savings to be achieved in respect of salaries and common staff costs, travel and per diem and other related costs currently incurred by the various organizations as a charge to their own budgets, are estimated at \$500,000. Of this total savings, an amount of as much as some \$260,000 would apply to the United Nations, since it currently performs, on behalf of all organizations in the common system, certain functions in the field of salaries, allowances and cost-of-living surveys, which would in the future be included in the terms of reference of the proposed new commission.