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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1962

Post classification for Geneva

Thirty-third report of the Advisory Committee
on Administrative and Budgetary Questions to
the General Assembly at its sixteenth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered a note by the Secretary-General (A/C.5/903) proposing a change in the post classification of Geneva effective 1 November 1961, from class 3 to class 4, under the existing system; as from 1 January 1962, the corresponding classification under the new system would be class 1.
2. The Advisory Committee notes that the proposed reclassification would give rise to additional expenditures in 1961 estimated at \$14,000 under section 3 and \$2,400 under section 20, but that the Secretary-General would undertake to meet this expense within the limits of the revised estimates already approved for 1961 by the Fifth Committee in first reading on 4 October 1961. However, the 1962 costs, estimated at \$108,000 under section 3 and \$20,400 under section 20, would require additional appropriations under these two sections in these amounts.
3. The Secretary-General's proposal is motivated by the movement of the special Geneva cost-of-living index for international civil servants which, in accordance with a plan approved by the Expert Committee on Post Adjustments (ECPA),^{1/} has been prepared by the Swiss Federal Statistical Office and issued by the ILO Statistical

^{1/} ECPA, a standing committee consisting of six outside experts, was established by the ACC, in accordance with a suggestion by the 1956 Salary Review Committee in paragraph 165 of its report (A/3209), to render advice on the subject of post adjustments.

Service. This special index, which was first put into effect in October 1960, stood at 114.3 (a nine-months average of 112.2) in March 1961 and reached 118.2 (a nine-months average of 115.7) in September, thus fulfilling the requirements for reclassification to the next class.

4. The Advisory Committee would call attention to the fact that the above special index includes a special component to measure the movement of rentals paid by international officials and that this movement has been marked by a particularly steep rise in recent times. Nevertheless, the ILO has stated that, even if all rents had remained unchanged between March and September, the nine-month average would have been 115.3

5. In these circumstances, the Director-General of WHO, who had authority to change the classification by administrative action, introduced class 4 as from 1 November because WHO does not apply such changes retroactively. On the other hand, the Governing Body of the ILO, which met on 23 and 24 November 1961, approved a change in the Geneva post classification as from 1 September 1961 to class 4 in the old system, and to class 1 in the new system as from 1 January 1962.

6. Particularly, in view of the fact that the present proposals would bring the base city of the common system above the base level of the new salary scheme just approved by the General Assembly in resolution 1658 (XVI) of 28 November 1961, even before that new scheme went into operation, the Advisory Committee has felt called upon to examine closely the evidence submitted in this case.

7. It may be recalled that, prior to October 1960, the index used for the purpose of determining the Geneva duty station adjustments was the Geneva Cantonal index, which was the only one available. However, an examination of data on changes in prices paid for goods and services by international officials during the period January 1956 to the last quarter of 1959 revealed that the cost of living of these officials in Geneva had, in fact, increased more than the increase shown by the Geneva index. Accordingly, for reasons explained in detail in its report on its second session in May 1960,^{2/} ECPA came to the conclusion that the Cantonal index was not suitable for the purpose of determining post adjustments and that "immediate steps should be taken to establish a special index appropriate for measuring changes in the cost of living of professional staff of international

^{2/} Official Records of the General Assembly, Fifteenth Session, Annexes, agenda item 49, document A/C.5/816, annex 1, paras. 24-28.

agencies in Geneva". To this end, ECPA made the following main recommendations: (i) the Swiss Federal Office of Statistics should be asked to assume responsibility for compiling a special index for international civil servants; (ii) the Geneva weighting pattern,^{3/} developed as a result of a study of the relationship of the cost of living for international officials in New York compared with Geneva in January 1956, provided a suitable basis for the special index; (iii) prices collected for the Cantonal index might be used where appropriate, but should be supplemented by additional prices, as needed, to provide an adequate representation of items purchased by international officials; (iv) the rent component of the special index should be designed to measure changes in rents of dwellings actually occupied by international officials at successive dates.

8. In its report on its third session (4-7 April 1961) (A/4823/Add.2, para. 12), ECPA stated that it had reviewed the report submitted by the International Labour Office on the steps taken to implement the above recommendations and expressed its satisfaction that the Swiss Federal Office of Statistics had agreed to assume the responsibility for the compilation of the special index and "approved the plan for the special index, as set forth in the report".

9. The Advisory Committee understands that the plan has been subsequently submitted to and approved by the ACC. It wishes to stress, however, that neither ECPA nor the ACC have had any occasion to examine in detail the actual resulting figures compiled by the International Labour Office and the Swiss Federal Office of Statistics. Indeed, the budgetary implications of the adoption of the special index are of such magnitude as to have warranted prior submission to these bodies and the General Assembly. In this regard, the Advisory Committee has been impressed by the fact that, whereas the special index increased by 5 per cent between October 1960 and October 1961, the Cantonal index rose by less than 2 per cent over the same period.

10. The Advisory Committee also cannot overlook the inconsistency with the common system resulting from the decision of the ILO and WHO to approve and implement changes in the post classification of Geneva without adequate consultation with the

^{3/} Ibid., para. 20. It may be noted that this weighting pattern follows closely the CPI Index for New York compiled by the United States Bureau of Labor Statistics and considered suitable by the General Assembly for determining the post classification of New York.

United Nations. This action would appear all the more unfortunate at a time when, despite great financial stringency, the General Assembly, partly because of the pressing requests of the specialized agencies, has approved an increase of 7 to 17 per cent in the salaries and allowances of the international staff. Since the General Assembly has been in session since 18 September, the Advisory Committee would have been in a position to consider the change in the post classification of Geneva simultaneously with a similar change for New York which was approved in October.

Conclusion

11. In spite of its serious reservations as to the timing of the procedures that have been followed, the Advisory Committee, in view of the fact that the main Geneva-based agencies have already changed the post classification of Geneva, would, on balance, refrain from recommending any modification of the proposals of the Secretary-General to effect a similar change for the United Nations staff in that city.
