



Eleventh session
Agenda item 51

UNITED NATIONS SALARY, ALLOWANCE AND BENEFIT SYSTEM:
REPORT OF THE SALARY REVIEW COMMITTEE

Report of the Fifth Committee

Rapporteur: Mr. Francisco A. FORTEZA (Uruguay)

PART I

INTRODUCTION

1. At its 570th meeting the Fifth Committee took up for consideration the report (A/3209) of the Salary Review Committee which had been appointed by the General Assembly (Resolution 975 (X)) to review the United Nations salary, allowance and benefits system. In addition to the report mentioned above, the Committee had before it: (i) a report by the Secretary-General (A/C.5/691, Add.1-3) which, in addition to his own comments included a joint statement of the views of the executive heads of the United Nations and specialized agencies, a statement by the United Nations Headquarters Staff Council and an estimate of the financial implications to the United Nations in 1957 of the various proposals for revising the existing salary, allowance and benefits system; (ii) a report by the Advisory Committee on Administrative and Budgetary Questions (A/3505 and Corr.1) commenting on the differences between the report of the Salary Review Committee and that of the Secretary-General.
2. The Committee devoted twenty-three meetings to the consideration of the question in the course of which it received certain additional documentation reference to which is made in the following text. The Secretary-General also transmitted to the Committee copies of the Resolution 32 adopted by the General Conference of UNESCO on 5 December 1956 and of resolution EB 19.R.38 adopted by the Executive Board of the World Health Organization on 22 January 1957 (A/C.5/700).

3. At the invitation of the Committee, the Rapporteur of the Salary Review Committee, Mr. J.K. Hunn (New Zealand), was present during the greater part of the discussion. He made a statement (A/C.5/696) introducing the report of his Committee, at the 570th meeting.

PART II

GENERAL DISCUSSION

4. In the course of a general discussion on the item held at the 571st to 574th meetings of the Committee, high tribute was paid by members of the Fifth Committee to the work of the Salary Review Committee.

5. It was pointed out by some delegations that, since the United Nations was greatly dependent on its staff for furthering its objectives and implementing its programmes of international action, it was only right that the staff should have working and living conditions such as would enable them to work not only with efficiency but also with satisfaction. At the same time they were conscious that the complexity of the problems involved in arriving at a satisfactory salary system for staff drawn from all parts of the world and stationed far away from their homes, was such as would make the Committee's task both difficult and delicate. They had no doubt that the Salary Review Committee's recommendations could be regarded as establishing not only a sound framework but also a detailed pattern for the future, and were glad to note, that despite the complexities involved, the points of difference between that Committee and the Secretary-General were few.

6. There was wide support for strengthening the principle of a "common system" of salaries and other conditions of service among the various organizations constituting the United Nations family. The need to ensure that these conditions were such as to permit the recruitment and retention of staff of the standards envisaged in the Charter was underlined.

7. In this connexion, the point was made that the time had now come to shift emphasis from financial to non-financial incentives, and that if the administration of the various organizations gave more attention to the non-financial factors, some of the reservations that had been raised would disappear. At the same time, the view was expressed that considerations of economy, however desirable, should not be allowed to prevail in a way that would cause a lowering of the standards of highest competence and integrity prescribed in the Charter.

8. Some representatives, in referring to the absence of clear-cut criteria for determining the salaries of Professional staff, questioned the validity of applying to staff already in service the criterion of the adequacy of salaries to recruit and retain staff. In their opinion, while the Salary Review Committee had given some consideration to the top and entrance levels of internationally recruited staff, little attention had been paid to the pay scales of staff at P-3, P-4 and P-5 levels who constituted the "backbone" of the Secretariat. The difference in treatment between Professional and General Service staff as regards bringing the pensionable remuneration more in line with total salary was also emphasized; it was suggested in this connexion that the proposed detailed study of the pensionable scales of Professional staff should cover all relevant aspects including the need to avoid a disproportionately large non-pensionable element in salaries.

9. Some of the representatives, in the course of their general statements, touched upon various specific recommendations in the Salary Review Committee's report but reserved their right to revert to these points when they were discussed in detail.

10. The representative of the USSR made a suggestion, which subsequently was not pressed, that inasmuch as various closely related questions such as general personnel policy, geographical distribution of staff and possible changes in the top-level organization of the Secretariat following the expiry of the current term of office of the Secretary-General, would come up for consideration at the twelfth session of the General Assembly, there would be advantage in deferring until that session the review of salaries and allowances which called for more serious examination than was possible at the present session.

11. Another suggestion by the representative of Brazil that the Committee should hear a representative of the staff was also not pressed inasmuch as it was felt by some other delegations that the Secretary-General had adequately conveyed to the Committee the views of the staff, in his statement at the beginning of the general discussion (A/C.5/698).

12. On a proposal by the representative of the United Kingdom, the Committee decided to consider the various recommendations of the Salary Review Committee on the basis of the summary table contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/3505 and Corr.1)

13. The Committee then agreed to a detailed procedure suggested by the Chairman (A/C.5/L.394/Add.2) under which the Committee, after having taken a decision of

principle on the various points and assessed the financial implications of the relevant recommendations, would proceed to take its final action.

PART III

CONSIDERATION OF SPECIFIC RECOMMENDATIONS

Common System

14. At its 575th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that the Common System should be retained in the sense indicated in paragraphs 27-29 of its report.

The base of the Common System

15. The Rapporteur of the Salary Review Committee stated that his Committee had given considerable thought to the question of selecting an appropriate base place. In Geneva, the cost of living was lower than in most other cities where international organizations were situated and had therefore the advantage of considerably reducing the need for minus differentials. While it was true that 60 per cent of the United Nations staff were stationed in New York, he pointed out, the staff in New York accounted for only 40 per cent of the total, if staff of the other organizations in Paris, Rome, Geneva and Montreal were also taken into account.

16. Caution was urged against taking a hasty decision on this important question particularly in view of the comments made by the Advisory Committee and of the effect it would have on questions such as pensionable remuneration. It was suggested that the item be deferred to the twelfth session of the General Assembly in order to give sufficient time to the Secretary-General and the Advisory Committee to consider possible alternatives. A considerable number of delegations, however, saw no valid reason to defer a decision, as they felt that unless a decision was taken forthwith the staff would not benefit from the increase proposed in the form of post adjustments.

17. At its 576th meeting, the Committee approved by 48 votes to none, with 8 abstentions, the recommendations of the Salary Review Committee (paragraphs 72-77 of its report) that the base of the Common System should be Geneva.

18. The Committee also approved unanimously the recommendation of the Salary Review Committee (paragraph 143 of its report) that the base date for the new system should be 1 January 1956.

Organization and classification of posts

19. The Committee considered this general question at its 575th meeting, and took the following decisions:

(a) Under-Secretary

The Committee approved without dissent, the recommendation of the Salary Review Committee that there should be only one level in the Under-Secretary or equivalent category, subject to such proposals as the Secretary-General might submit to the General Assembly at its twelfth session.

(b) Principal Office and Director category

The Committee approved without dissent, the recommendation of the Salary Review Committee that there should be not more than two levels in the Principal Officer and Director category.

(c) Professional category

The Committee approved, without dissent, the recommendation of the Salary Review Committee that there should be not more than five levels in the Professional category.

(d) Coupling P-2 and P-3 levels

The Rapporteur of the Salary Review Committee explained that his Committee's recommendation in regard to possible coupling of P-2 and P-3 levels applied only to career staff and not to staff which that Committee had contemplated transferring to the General Service category.

The Committee took note of the recommendation of the Salary Review Committee (paragraph 60 of its report) that the P-2 and P-3 levels might possibly be coupled

Uniform standards of grading in the Professional category

20. The Committee approved without dissent, the recommendation of the Salary Review Committee (paragraphs 59-60) that common standards of grading should be developed and that the present gradings should be reviewed in the light of such standards.

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Local Service category

21. At its 575th meeting, the Committee considered the proposal of the Salary Review Committee in paragraphs 62-71 of its report that the General Service category should be changed to a Local Service category in which should be accommodated not only the existing General Service posts but also certain posts presently in the Professional category up to P-3 level which are essentially of a "servicing" character and which are in fact mainly filled on a local or semi-local basis.

22. The Committee decided by 28 votes to 18, with 4 abstentions to take note of the Salary Review Committee's recommendation and to defer a decision thereon to the twelfth session of the General Assembly, when all aspects of the problem could be studied.

Number of levels in the General Service category

23. At its 575th meeting, the Committee approved unanimously the recommendation of the Salary Review Committee that local circumstances at each office should determine the number of levels in the General Service category.

Non-financial factors

24. The Committee discussed this subject at its 575th meeting on the basis of paragraphs 38-47 of the Salary Review Committee's report. While the achievements already accomplished by the Secretary-General in this field were appreciated, it was felt by some delegations that more needed to be done.

The Committee unanimously endorsed the observations of the Salary Review Committee on non-financial factors, and considered these observations to represent a constructive approach to an important sphere of personnel administration.

Staff Assessment Plan (paras. 108-111 of the Salary Review Committee's report)

25. At its 585th meeting, the Committee unanimously endorsed the recommendation of the Salary Review Committee that all organizations which did not at present apply the Staff Assessment Plan should adopt it as an element of the Common System.

Base salary scales for the Professional Category and above (paras. 78-85 of the Salary Review Committee's report)

26. At its 576th meeting, the Committee approved by 44 votes to none the recommendation of the Salary Review Committee that the present base salary scales for the Professional category and the Principal Officer (D-1) level should be retained.

Career staff at P-1 level (paragraph 78 of the Salary Review Committee's report)

27. The Rapporteur of the Salary Review Committee explained that his Committee's recommendation that career staff at P-1 level should normally be promoted to P-2 level after two years' satisfactory probation was not intended to apply to all professional staff members at the P-1 level but only to career staff recruited as junior professionals. In making the recommendation, he said his Committee had not anticipated that the question of transferring certain Professional posts to the General Service category would be postponed to a subsequent session.

28. After an exchange of views in which several representatives participated, the representative of the Secretary-General submitted the following draft formula for the Committee's consideration.

"Staff recruited at the Assistant Officer (P-1) level into the Professional posts, other than those which the Salary Review Committee had contemplated transferring to the General Service category, should normally be promoted after two years' satisfactory probation."

29. He explained that the formula would not automatically include General Service staff members who had been promoted to P-1 level and that the situation of such staff would be governed by the Salary Review Committee's observations in paragraph 292 of its report concerning the existing staff at P-1 level.

30. At its 577th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee in the above noted form.

Minimum salary of P-2 level (para. 81 of Salary Review Committee's report)

31. The Salary Review Committee had recommended that having regard to the earlier promotion from P-1 to P-2 level which the career staff would have, the minimum of the P-2 level should be reduced from \$4,800 to \$4,600. The Secretary-General had interpreted this recommendation as an exceptional provision for career staff entering at P-1 level. The Advisory Committee believed that it would be undesirable as a matter of personnel policy to differentiate between "career" staff and others in the matter of base salaries and recommended the maintenance of the existing minimum of \$4,800.

32. The Committee unanimously approved the Advisory Committee's recommendation that the present base scale for the P-2 level should be maintained.

Longevity increments (paragraph 82 of the Salary Review Committee's report)

33. When the Committee took up this item for consideration at its 577th meeting, there were three recommendations before it:

(a) The Salary Review Committee's recommendation that the best of the career staff who reached the maximum of P-3 level and were suitable for promotion but were held back for lack of vacancies at P-4 level should receive two longevity increments at two-year intervals, provided that the proportion of staff in receipt of such increments should not exceed 25 per cent of the number of staff in the level.

(b) The Secretary-General's recommendation that the longevity steps as proposed by the Salary Review Committee should be applied to each of the levels P-1 to P-4.

(c) The Advisory Committee's recommendation which agreed with that of the Secretary-General subject to two conditions for eligibility (subsequently accepted by the Secretary-General): (i) that no longevity steps should be awarded to a staff member unless he had remained at the level in question for at least as long as a staff member entering it at the first step would have to remain before qualifying for a longevity step; and (ii) the staff member should have been qualified for promotion had there been a vacancy at the higher level.

34. The Rapporteur of the Salary Review Committee submitted a document on the question (A/C.5/L.440). He further stated that his Committee had wished to assure the career entrants of a steady progress to a reasonable level. It had thus devised a compound solution consisting of (a) promotion from P-1 to P-2 after two years' probation; (b) coupling of P-2 and P-3 levels; and (c) longevity steps at P-3 level. The Rapporteur had also pointed out a number of draw-backs implicit in the proposals of the Secretary-General and of the Advisory Committee - such as, virtual increase in maxima of the salary scales, increased overlapping of the scales, a possible distortion of the salary structure, increased expenditure, etc.

35. Following a discussion in which differing views had been expressed, some of which might not have been considered by the Advisory Committee when formulating its recommendations, the representative of the United States proposed that the Advisory Committee be requested to reconsider the question and to submit a further report during the current session. It was so decided.

36. At its 584th meeting, the Committee considered the new report (A/3523) submitted by the Advisory Committee. The Advisory Committee, while affirming its view that its earlier recommendation constituted the most appropriate solution to the problem, proposed (a) that the Fifth Committee should approve, on a provisional basis, the application to the P-3 level alone of two longevity steps, at two-year intervals, subject to the same conditions of eligibility as recommended earlier; (b) that it should submit to the General Assembly at its twelfth session, a further report on the subject as a whole including possible alternative solutions.

37. The Committee noted the explanation of the Chairman of the Advisory Committee of that Committee's approach to this question, and the possible alternative solutions to which it had given preliminary consideration, but which required to be studied further.

38. In view of the complexity of the problem which made it difficult for the Fifth Committee to come to a decision within the limited time available during the current session, it adopted by 40 votes to 6, with 4 abstentions, a proposal by the representative of Ireland that the discussion of this question should be deferred until the twelfth session of the General Assembly, and then renewed in the light of a further report to be submitted by the Advisory Committee.

Base salary for Directors (D-2) (para. 85 of Salary Review Committee's report)

Representation allowance for Directors (D-2) (para. 92 of Salary Review Committee's report)

Salary and allowances for Under-Secretaries (paras. 86-92 of Salary Review Committee's report)

39. The Salary Review Committee recommended a fixed salary of \$12,500 net for the D-2 level. The Secretary-General proposed that a scale ranging from \$12,000 to \$13,000, with two-yearly increments of \$500 each would be preferable to a fixed salary. The Advisory Committee however endorsed the proposal of the Salary Review Committee.

40. Concerning representation allowance for Directors (D-2), the Salary Review Committee recommended that the present system of paying the allowance up to a maximum of \$1,500 per annum at the discretion of the Secretary-General should be abolished and that instead, hospitality expenses actually incurred should be

reimbursed up to a maximum of \$600. The Secretary-General suggested that the present system should be maintained, but with a reduced maximum of \$1,000. The Advisory Committee supported the recommendation of the Salary Review Committee.

41. As regards the Under-Secretaries, the Salary Review Committee recommended (a) a base salary of \$14,000 net; (b) abolition of the present basic allowance of \$3,500, but payment of dependency benefits and education grants; (c) abolition of additional payments (as provided under Staff Regulations, Annex I, paragraph 2), but reimbursement of actual hospitality expenses up to a maximum of \$1,500. The Secretary-General proposed that as an interim measure, to be reviewed at the twelfth session of the General Assembly, the present scale of remuneration for Under-Secretaries and officials of equivalent rank should remain unchanged. The Advisory Committee suggested (A/3505) approval of the Salary Review Committee's recommendation since it saw no reason for a postponement particularly in view of the provision that where contractual entitlements exceeded the corresponding emoluments under the Salary Review Committee's recommendations, the difference would be paid in the form of a personal allowance.

The Committee agreed that these three related items should be discussed at the same time.

Base Salary for Directors

42. Some representatives felt that from the point of view of the duties and responsibilities of the Under-Secretaries and Directors, the question of their remuneration ought to be considered at the same time. It appeared illogical to seek a postponement of decision on the salaries of Under-Secretaries while at the same time pressing for an immediate decision on the salaries of the Directors. Moreover, the proposed increase, if approved, would lead to an anomalous situation wherein the Directors and the Under-Secretaries would be receiving the same base salaries. It was also believed that the Committee would not be justified in approving an increase in the salaries of Directors while maintaining the existing base salaries of all other levels in the Professional category. Furthermore, the view was expressed that the action recommended in the case of Directors and Under-Secretaries, would represent a salary addition to be granted at the expense of the lower echelons.

43. Several other representatives, however, held the view that the Committee should at this session take decisions so far as they related to all career staff. Under-Secretaries did not form a part of the career staff and it was therefore logical in their view to decide on the question of Director's salary irrespective of the decision to be taken later on emoluments of Under-Secretaries. Some of these representatives supported the Salary Review Committee's recommendation that the salary for Directors should be fixed at \$12,500; others felt that this did not provide sufficient remedy for the existing problem of telescoping of remuneration at the higher levels and were therefore inclined to support the Secretary-General's proposal.

44. The representative of the Secretary-General stated that he believed it would be a mistake to defer a decision on the salary of Directors to the following session. First, unlike the Under-Secretaries who were appointed on fixed-term basis, the Directors held permanent appointments. The latter constituted the highest level of career service and it was only logical that their salary should be fixed at the same time as the rest of the career staff. Secondly, the differences between the recommendations of the Salary Review Committee and the Secretary-General were not significant. Thirdly, if the General Assembly decided to abolish the cost-of-living adjustment at New York and the salary differentials at other stations and to replace them by a post adjustment system, the maintenance of status quo for Directors would mean that this single group of career staff would be the only group who did not benefit from the new system. Lastly, if the question were left undecided now, the next session of the General Assembly might find itself faced with independent decisions reached by the specialized agencies.

45. In the course of the debate the Rapporteur of the Salary Review Committee explained how his Committee reached its recommendations on pay scales for the top levels including the level of Directors. His Committee had noticed that while there was a difference of about \$1,500 between the top steps of the various levels from P-1 to D-1, such difference amounted only to \$200 between D-1 and D-2 and to \$300 between D-2 and Under-Secretary. Keeping in view the position of

these posts in the staff hierarchy, his Committee felt it reasonable to provide a substantial margin between the salaries of Under-Secretaries and Directors (D-2), and a lesser margin between the Directors (D-2) and Principal Officers (D-1). Thus, the salary of \$12,500 which had been proposed for D-2 provided a difference of \$500 over the top step of D-1 which in his Committee's view was adequate.

46. The representative of Ceylon proposed that the Committee should take note of the views of the Salary Review Committee, the Advisory Committee and the Secretary-General and decide, as an interim measure to be reviewed at the twelfth session of the General Assembly, that the base salary of officers at the D-2 level should be fixed at \$12,500 (net). This proposal was rejected by 20 votes to 17, with 10 abstentions.

47. At its 579th meeting the Committee approved by 34 votes to 10, with 3 abstentions, the recommendation of the Salary Review Committee that the base salary for the D-2 level should be fixed at \$12,500 (net).

Representation allowance for Directors

48. The Rapporteur of the Salary Review Committee in explaining his Committee's recommendation stated that it had borne in mind the fact that the duties of the Directors called for less expenditure on hospitality than did those of the Under-Secretaries. He further explained that the officials concerned would not be paid an outright allowance but would be reimbursed for their expenditure on furnishing proof. The figure of \$600 was not intended to be an automatic maximum for every official in the Director Level. The Secretary-General could at his discretion fix the individual maximum for each of the officials concerned, and would be empowered, in exceptional cases, to authorize reimbursement of amounts exceeding the proposed maximum.

49. The representative of the Secretary-General explained that some twenty-five officials at the Director level were at present in receipt of representation allowances. It was estimated that, subject to the possible need for a transitional period, the financial implications of the Secretary-General's proposals were approximately the same as those of the Salary Review Committee - i.e. - about \$15,000 per annum.

50. The representative of Uruguay proposed that subject to appropriate justification and/or reporting and to the proviso that the maximum amount of the allowance for any one official should not exceed \$1,000, the present system whereby the Secretary-General at his discretion fixed the amount of the allowance for each official at the Director level should be maintained. In view of the ensuing discussion the Chairman therefore put the Uruguayan proposal to vote in two parts:

- (i) That the Secretary-General should retain the discretion to grant a representation allowance up to the limit of \$1,000;
- (ii) That the representation allowance should be granted on the basis of appropriate justification and/or reporting - in the same manner as provided for under the Staff Regulations in the case of Under-Secretaries.

51. At the 580th meeting the Committee approved by 23 votes to 21, with 8 abstentions, part (i) of the Uruguayan proposal. Part (ii) was then approved by 32 votes to 12, with 7 abstentions. It was the understanding of the Committee that annual expenditures of \$15,000 would be involved.

Salary and Allowances for Under-Secretaries

52. At the request of the Committee, the Rapporteur made a statement explaining the considerations on which his Committee decided to recommend a base salary of \$14,000 plus post adjustments, dependency benefits and education grant for Under-Secretaries. His Committee considered the Secretary-General's initial proposal for a base salary of \$15,500 together with dependency allowances to be over-generous. It had considered recommending a salary scale for Under-Secretaries based on an evaluation of the responsibilities attaching to particular posts; it concluded however that from the administrative point of view it would be preferable to maintain the principle of a uniform salary scale. As regards representation allowance, the Committee took the orthodox view that such payments should be related to actual expenditure and kept completely separate from salary. Its recommendation on the size of the allowance had, in the absence of definite information on actual level of expenses, necessarily to be arbitrary. This defect was, however, offset by the discretion granted to the Secretary-General to authorize an additional amount if necessary. He added that his Committee had no occasion to consider the Secretary-General's proposal to postpone the question of Under-Secretaries' remuneration to the twelfth session of the General Assembly as the proposal was made after his Committee's report had been prepared.

53. The representative of the Secretary-General pointed out that the latter's request for postponing consideration of the Under-Secretaries remuneration could not be made to the Salary Review Committee in view of the fact that the need for such a request itself arose from that Committee's recommendation. The request was made only as a provisional measure pending consideration, at the twelfth session, of the general problem of the Organization of the Secretariat at the top level. It seemed to the Secretary-General particularly inappropriate that Under-Secretaries alone should be singled out for a major reduction in remuneration. As regards representation allowance, while he agreed with the Rapporteur of the Salary Review Committee that it was a matter entirely separate from the question of salary, he had to point out that that Committee did not have sufficient material before it to reach a decision other than in an arbitrary way. Finally, he reiterated the appeal that the Secretary-General made in his oral statement to the Committee (A/C.5/698, paragraph 17) for maintenance for the time being of the status quo on this matter.

54. Some delegations found it difficult to divorce the question of the salary level for Under-Secretaries from that for Directors. They were hesitant to agree that the Committee should take action in the latter case but not in the former and would have preferred a postponement of the consideration of salaries for all top level staff especially since the Organization of the Secretariat at these echelons would be considered at the twelfth session. In this connexion, delegates who had supported the proposal that the Committee should take action now on the salaries of Directors, believed that while it was necessary to deal with the conditions of service of all career staff at the current session, the Under-Secretaries fell outside this category of staff and might be considered separately.

55. There was a wide measure of agreement expressed with the Secretary-General's proposal to maintain the status quo in the matter of Under-Secretaries salaries. Some delegations were prepared to support this proposal without reservation. They stated that they could not readily accept the Review Committee's recommendation which, if approved, might hamper the Secretary-General in securing the best possible appointees for the positions of high level responsibility. As to the difference in responsibility between the top posts, they believed the

Secretary-General himself to be in the best possible position to know just what that difference was. Other delegations considered that the postponement of a decision would be a reasonable course, since until the Committee knew what the top-level structure of the Secretariat would be, it was difficult to reach a conclusion on the matter.

55 A. Several delegations supported the recommendations made by the Salary Review Committee, with which the Advisory Committee concurred. They believed those recommendations to be on the right lines, the more so since they considered that the number of high level posts involved must have affected the responsibilities of those Posts; the Salary Review Committee was entirely justified in deciding that the existing remuneration of the Under-Secretaries was no longer in line with their actual responsibilities. They further pointed out that most of the present Under-Secretaries had received substantial increases as a result of the re-organization of the Secretariat in 1954. They consequently hoped that in framing his proposals for the General Assembly's consideration at its twelfth session, the Secretary-General would bear in mind the recommendations of the Review Committee and the views expressed in the Fifth Committee discussion at its 578th and 579th meetings.

56. On a proposal by the representative of Pakistan, the Committee decided, by 41 votes to 6, with 2 abstentions, to approve the Secretary-General's proposal that, as an interim measure to be reviewed at the twelfth session of the General Assembly, the present emoluments of Under-Secretaries and officers of equivalent rank should remain unchanged.

Post Adjustments (Salary Review Committee's report, A/3209, paras. 137-147)

57. The Secretary-General in his report (A/C.5/691) agreed with the recommendation of the Salary Review Committee that the existing system of differentials and cost-of-living allowances should be replaced by a system of post adjustments, fixed in flat net non-pensionable amounts for each level with increased rates (in high cost areas) for staff with primary dependents. However, as regards classification of New York, while he agreed that class 4 in the schedule of post adjustments (Annex C of A/3209) recommended by the Salary Review Committee might have been appropriate on 1 January 1956, he felt that the subsequent increases in cost-of-living index up to October 1956 brought New York closer to class 5 than class 4.

58. The Advisory Committee agreed, on balance, with the recommendation of the Salary Review Committee that New York should be placed in class 4 and held that a change to class 5 would entail serious reaction and appreciable expenditure. As regards the other cities, it stated that for lack of sufficient time and information, it was not in a position to offer any comments. Nevertheless, it expressed some doubt about placing Paris in class 4 rather than in class 3.

59. In an oral statement to the Committee (A/C.5/698) the Secretary-General recommended that New York should be placed in class 5 rather than in class 4, as of 1 January 1957.

Adoption of the system

60. At the Committee's 582nd meeting, the Rapporteur of the Salary Review Committee explained the various features of the proposed system of post adjustments which would remove a number of difficulties and anomalies in the existing system of differentials and cost-of-living adjustments. After some discussion, the system was unanimously approved by the Fifth Committee, which then proceeded to consider the question of classification of the headquarters areas for purposes of applying post adjustments.

Classification of New York

61. The representative of the Secretary-General made a strong plea for placing New York in class 5 as of 1 January 1957. He argued that the Salary Review Committee's recommendation to maintain the existing base scales and to change the base date to 1 January 1956 constituted an indirect reduction in the real value of the salaries of international staff. Since January 1951 the cost of living in New York had increased by 15-16 per cent and the corresponding increases in the proposed salaries of United Nations staff in New York were about 7 to 10 per cent in the case of staff without dependents. The Salary Review Committee's recommendation did not help sufficiently to ameliorate their difficulties and it was for that reason that the Secretary-General had asked for a more equitable solution.

62. In further support of the proposal for a class 5 for New York, he stated that the cost of living in New York was about to reach the level corresponding to that

class. Moreover the Committee should bear in mind the fact that according to the Salary Review Committee's findings the staff might be considered as entitled to class 4 as of 1 January 1956 and that the staff stood to lose by not pressing for application of the system as of that date. The Salary Review Committee's proposal to place some offices outside New York in class 4 despite the substantial cost-of-living differential between those offices and New York, also meant a certain amount of inequity to the New York staff.

63. The representative of the Secretary-General also pointed out that paragraph 14 of the Salary Review Committee's report said that to compensate for certain factors (medical care, commutation costs, and domestic service) which were appreciably more costly in New York than in Geneva, a "married" post adjustment yielding \$400-\$500 over and above class 3 adjustment at the \$7,000 level was required. In that connexion he submitted: (a) that the difference actually granted would amount only to \$350 if New York was placed in class 4; (b) that the cost of services mentioned above, particularly transportation costs, had increased since 1 January 1956; and (c) that the Salary Review Committee had not taken into account the normal recreational expenses (such as entertainment, vacation, etc.) which formed a significant part of the family budgets. To compensate for the factors mentioned under (b) and (c) would, he thought, require an adjustment (over and above class 3) of \$600-\$700, rather than \$400-\$500 mentioned by the Salary Review Committee.

64. In commenting on this statement the Rapporteur of the Salary Review Committee pointed out that the Secretary-General had not questioned his Committee's findings that New York should be placed in class 4 as of 1 January 1956. The Salary Review Committee had provided a formula for time to time changes in post adjustment classification according to which a change would be warranted when a movement of five points in the cost of living was sustained over a period of nine months. Under that formula, the Secretary-General's proposal for a change to class 5 for New York as of 1 January 1957 was not justified. The recommendation for class 4 afforded a 10 per cent net increase for a single staff member as compared with 1950, which was an improvement over the existing 10 per cent gross cost of living

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adjustment, to the extent of 2 to 5 per cent. That increase of 10 per cent net was equivalent to approximately 12.5 per cent gross at the \$4,000 level and 20 per cent gross at the \$10,000 level, and more than compensates for the rise in the cost of living index. Also a single staff member did not have to spend the same proportion of his salary on the necessities of life as his married colleague. Transportation, medical and entertainment or vacation expenses had heavier impact on the married than the single staff member.

65. He urged the need for caution in taking a decision which would be at variance with the Salary Review Committee's recommendation in the matter of post adjustments, as it could have undesirable repercussions among the specialized agencies. If New York were to be placed in class 5 in anticipation of the rise in prices, it had to be remembered that while the prices in New York had risen by 3.7 per cent in 1956, the rise in Geneva during the same period was about 3.5 per cent and that the situation in Paris, Montreal or Rome would probably not be very different.

66. The views of delegations were sharply divided on the Secretary-General's proposal for applying a class 5 post adjustment in New York. Those who opposed the proposal supported the arguments put forth by the Rapporteur of the Salary Review Committee. They felt that any reclassification necessitated by a change in cost of living should appropriately be dealt with through the machinery envisaged in the system itself. If the United Nations rejected the Salary Review Committee's recommendation on this point, there was real danger of dissipating the progress made so far towards evolving a uniform and equitable system. Some representatives pointed out that a class 4 adjustment would give the staff an increase over their existing salaries ranging from \$320 at P-1 level to \$865 at D-1 level. If, however, a class 5 adjustment was approved the corresponding increases would range from \$545 (at P-1 level) to \$1,265 (at D-1 level) and would cost the Organization an additional \$335,000. While they agreed that financial considerations should not be the sole criterion, they thought that such large additional expenditure should not be authorized without the strongest justification. They also wanted the Committee to bear in mind that the proposed medical and dental schemes would cost an additional \$135,000 to the Organization.

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67. Those who favoured the Secretary-General's proposal were impressed with the evidence and arguments which he had submitted to the Committee. They felt that failure to adjust the salaries adequately and in time would lead to difficulties in recruitment and retention of staff and prove to be, in the course of time, a false economy.

68. It was pointed out that the Committee had shown its willingness to respect the judgement of the Secretary-General in authorizing an increase in the salaries of the General Service staff in New York involving an additional cost of about half-a-million dollars to the Organization; there was even more justification, in the case of the remuneration of the international staff in New York, for accepting the Secretary-General's judgement, particularly in view of the ample evidence that had been adduced by him. All parties concerned including the Salary Review Committee and the delegations opposing class 5 for New York, seemed to be in broad agreement that New York was approaching that level. It was felt, therefore, that a further upward adjustment would in any case be inevitable in the near future and it would undoubtedly have a beneficial effect on the morale of the staff if the appropriate measures were taken forthwith instead of at some later stage.

69. The representative of the Philippines formally proposed that New York should be placed in class 5. The Committee's action on this matter is recorded in paragraph 77 below.

Post adjustments for Paris, Rome and Montreal

70. Some representatives expressed reservations on the Salary Review Committee's recommendations for classifying Paris in class 4 and Rome in class 2. While the cost of living in Paris might be somewhat higher than in Geneva, it was lower than in New York. It was also pointed out that certain privileges and immunities granted to international staff in France had significant effect on their expenses which was perhaps not sufficiently reflected in the cost of living statistics.

71. The rapporteur of the Salary Review Committee, while conceding that Paris was not exactly on par with New York in cost of living, thought that it stood closer to class 4 than to class 3. For purposes of the initial adjustment, his Committee had come to his conclusion that class 4 as of 1 January 1956 was appropriate.

72. The representative of UNESCO pointed out that the privileges and immunities granted by the French Government were mostly confined to a small number of staff at P-5 level and above. He suggested that the privileged position enjoyed by a minority should not be used as an argument for fixing the remuneration of the entire staff at a lower level than advocated by the Salary Review Committee. He also submitted that the cost of living in January 1956 stood at 115 compared with New York (May 1950) and so fully justified a class 4 adjustment.

73. The representative of the United Kingdom suggested without making a formal proposal that Paris might be placed provisionally in class 3.

74. The representative of Italy contended that the cost of living in Rome was not higher than in Geneva and expressed surprise at the Salary Review Committee's recommendation in respect of the former city. The Rapporteur of the Salary Review Committee argued that the statistical difference in cost of living between the two cities was only 1 per cent in January 1956 but said that prices in Rome had risen by 10 per cent since the last salary adjustment in 1952 - a rise which if maintained for six months would have entitled Rome, under the existing system, to a cost of living adjustment of 10 per cent on 75 per cent of the salary. Certain items, e.g., transportation, domestic service and medical care, did not seem to have been fully covered by the statistics, and furthermore FAO was experiencing difficulties in recruiting the type of staff it wanted.

75. The representative of Italy formally proposed that Rome be placed in class 1.

76. Before the Committee proceeded to a vote at its 582nd meeting, the Chairman of the Advisory Committee stated that the responsibilities of the General Assembly were two-fold: in the case of United Nations staff at Headquarters, it would have to determine the appropriate post adjustment, while in the case of the headquarters offices of other organizations, it might make recommendations, leaving it to the legislative bodies of the organization concerned to take the final decisions. As regards the various field offices, appropriate post adjustments would have to be worked out through inter-agency machinery - probably the Administrative Committee on Co-ordination. He would suggest that the classification of each of the main headquarters offices should be put to the vote separately.

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The Philippine representative's proposal that New York should be placed in class 5, the United Kingdom representative's suggestion that Paris should provisionally be placed in class 3 and the Italian representative's proposal that Rome should be placed in class 1 should be treated as amendments to the Review Committee's recommendations as set out in document A/3505, column A.

Action on post adjustments.

77. The Committee then proceeded to vote on the recommendations of the Salary Review Committee and the amendments thereto, with the following results:

The Philippine representative's amendment concerning New York was rejected by 30 votes to 24, with 2 abstentions.

The Salary Review Committee's recommendation that New York should be placed in class 4 was approved by 40 votes to none, with 16 abstentions.

The United Kingdom representative's suggestion concerning Paris was adopted by 26 votes to 18, with 10 abstentions.

The Italian representative's amendment concerning Rome was rejected by 23 votes to 5, with 26 abstentions.

The recommendation of the Salary Review Committee that Rome should be placed in class 2 was adopted by 37 votes to none, with 15 abstentions.

The recommendation of the Salary Review Committee that Montreal should be placed in class 4 was adopted by 38 votes to 1, with 14 abstentions.

Salary scales for the General Service category

78. At its 576th meeting, the Committee unanimously approved the recommendations of the Salary Review Committee (contained in paragraphs 101-107 of its report) that:

- (a) the existing system of fixing salary scales for the General Service category on the basis of the best prevailing conditions of employment in the locality should be maintained;
- (b) the existing cost of living allowances should be consolidated in the pensionable scales for the General Service category at Geneva and New York.

79. The Committee also unanimously approved the recommendation of the Secretary-General that the salaries of the General Service staff at New York should be increased by approximately 7 per cent over the levels in force at the end of 1954.

Pensionable scales (paras. 173-177 of Salary Review Committee's report)

80. The Rapporteur of the Salary Review Committee recalled his Committee's recommendation that this complex problem should be studied in detail possibly through a working party of the Joint Staff Pension Board, and stated that his Committee would not have had any objection to the procedure now proposed by the Advisory Committee that the study be undertaken in the first instance by the ACC.

81. The representative of the Secretary-General stated that the ACC's report on the subject along with the Joint Staff Pension Board's comments thereon would be submitted to the Advisory Committee and the Fifth Committee. However, in view of the complexities of the problem he feared that the reports might not be ready by the twelfth session of the General Assembly.

82. At many points during the discussion of the whole item, the need was emphasized for a thorough and comprehensive examination of the question of pensionable scales. The hope was expressed that this examination would be undertaken as soon as possible and that the reports of the ACC and the Joint Staff Pension Board should be accompanied by all pertinent documentation relating to those reports.

83. At its 585th meeting, the Committee unanimously approved the recommendation of the Advisory Committee that the question of pensionable scales should be studied in the first instance by the Administrative Committee on Co-ordination.

Dependency allowance system

84. At its 583rd meeting, the Committee approved unanimously the Salary Review Committee's recommendation (paragraph 191 of its report) that the present children's allowance and dependency credit under the Staff Assessment Plan should be merged in a new dependency allowance system of net amounts payable outside the Staff Assessment Plan.

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Dependency allowances for professional staff

85. At its 583rd meeting the Committee unanimously approved the Salary Review Committee's recommendation (paragraphs 192-193 of its report) for payment of dependency allowances to Professional staff at all offices at the following rates:

\$200 for dependent spouse

\$300 for each dependent child

\$200 for not more than one secondary dependent, provided an allowance is not paid to a dependent spouse.

Dependency allowances for General Service staff (paras. 195-197 of the Salary Review Committee's report)

86. The representative of the Secretary-General explained the reasons which had led the Secretary-General to propose certain modifications in the amounts recommended by the Salary Review Committee. He pointed out that under the recommendation of the Salary Review Committee, the staff with dependent children would be faced with a reduction in their remuneration. He suggested, the modifications proposed by the Secretary-General would help to ensure that the present staff members retained their acquired benefits without impairing the principles underlying the Salary Review Committee's recommendation.

87. The Rapporteur of the Committee explained the basis of his Committee's recommendations and pointed out that the provision for a personal allowance would ensure that there would be no reduction in the allowances actually being received by the staff currently employed by the Organization. He suggested that it would be wise for the Committee not to concentrate on any single element of remuneration but to look at the remuneration as a whole. In this connexion, he felt that the Committee should bear in mind the 7 per cent salary increase that the General Service staff in New York would be receiving. He did not see, however, any serious objection from the point of view of his Committee to the Secretary-General's proposal that the allowance for the dependent spouse should be increased to \$300, nor did he see any objection in principle to the other proposal that an allowance of \$400 should be paid to a divorced or widowed staff member with one dependent child.

88. At its 583rd meeting the Committee took the following actions:

- (a) Approved by 28 votes to 4, with 13 abstentions, a proposal by the representative of the Philippines that the allowance for a dependent spouse of the General Service staff in New York should be \$300;
- (b) Approved, without objection, the Salary Review Committee's recommendation for an allowance of \$250 for each dependent child and \$200 for not more than one secondary dependent when an allowance was not paid in respect of a dependent spouse;
- (c) Approved unanimously the proposal of the Secretary-General for an allowance of \$400 to widowed staff members with one dependent child;
- (d) Approved, by 29 votes to 2, with 18 abstentions, the proposal of the Secretary-General for an allowance of \$400 to divorced staff members with one dependent child;
- (e) Approved, unanimously, the recommendation of the Salary Review Committee that the dependency allowances granted to General Service staff at locations other than New York should reflect local circumstances.

Definition of dependency (paragraphs 198-204 of Salary Review Committee's report)

89. A number of representatives expressed reservations on the definition of dependency recommended by the Salary Review Committee in paragraph 203 of its report, which, if approved, would enable a wife to receive children's allowance only if her husband's salary was below a certain level. The view was further expressed that from an administrative point of view, if a definition of dependency took into account the outside earnings of the spouse of the staff member, many difficulties of interpretation, application and evasion would arise. Some delegations did not believe it was desirable that wives who did not satisfy the proposed condition should be deprived of a part of their salary, and pointed out that it would be particularly inappropriate for the Organization to allow discrimination in treatment based on sex to arise even for administrative or financial reasons.

90. Other representatives, while agreeing with the need for non-discrimination, felt it necessary, from a practical standpoint, to put an end to dual payments. They argued that it was not fair that each of the parents should receive an allowance for the same child, particularly so if both the parents worked in the United Nations.

91. The Rapporteur of the Salary Review Committee stated that his Committee did not dispute the need for avoiding discrimination in the matter. It had studied the practical administrative problems arising from the existing practices in the Organization, and considered there was a necessity to avoid giving family

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benefits to both husband and wife who were both employed by the United Nations or its specialized agencies or to a staff member whose husband worked elsewhere and was in receipt of family allowances or enjoyed tax reliefs in respect of their children. This was because his Committee was of the view that dependency allowances were social security benefits for staff members who did not receive similar benefits from another source or who did not enjoy a tax relief. Representatives were generally agreed on the need for further consideration of the question at the following session based on a more careful and detailed study, but there were differences as to the procedure to be authorized for the interim period.

92. At its 584th meeting, the Committee considered the following proposal based on the view expressed by the representatives of Canada and India:

"1. The Committee agrees that the Secretary-General, in consultation with the Executive Heads of the Specialized Agencies, and taking full account of the proposals of the Salary Review Committee and of the views expressed in the Fifth Committee, should formulate the definition of dependency, apply it to the staff and report the results through the Advisory Committee on Administrative and Budgetary Questions to the twelfth session of the General Assembly.

"2. Pending such inter-agency determination of dependency, it is understood that the Secretary-General would continue to apply existing definitions for purposes of interim payments at the rates fixed by the General Assembly at the eleventh session."

The Committee, unanimously adopted this proposal.

Education grant (paragraphs 214-222 of the Salary Review Committee's report)

93. At its 575th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that the existing provisions with regard to education grant should be maintained.

Installation grant (paragraphs 272-273 of the Salary Review Committee's report)

94. At its 575th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that the existing provisions should be maintained except that for staff without dependants the grant is payable during fifteen days, instead of thirty days. In exceptional circumstances, this period may be increased to thirty days for staff without dependants, and to sixty days for staff with dependants.

Medical and hospital insurance (paragraphs 241-284 of the Salary Review Committee's report)

95. The Salary Review Committee recommended that the General Assembly should give favourable consideration to a scheme of medical and hospital insurance (broadly outlined in its report) which the Secretary-General was developing, provided satisfactory arrangements were evolved as to sharing of costs between the staff and the Organization. That Committee also recommended the desirability of instituting some kind of scheme to mitigate the heavy dental expenses which the staff had to bear in certain areas.
96. The Secretary-General agreed with this recommendation and proposed that approximately 50 per cent of the over-all costs for an improved medical and hospital care scheme and of a dental care scheme should be borne by the Organization. Within this principle, he proposed to provide a larger subsidy toward total cost in the case of lower salaried staff and a lesser proportion in the case of staff at higher salary levels.
97. The Advisory Committee endorsed the principle involved but believed that the details of the expanded scheme and its financial aspects should be submitted to it and to the General Assembly, for approval.
98. In the course of the initial debate of the question at the Committee's 578th meeting, the representative of the Secretary-General explained the justification for an improvement in the existing scheme and emphasized the need for early action in implementing such improvements. He urged the Committee to take a decision in principle on the matter and provide the necessary funds to permit the introduction in June 1957.
99. The Chairman of the Advisory Committee endorsed this request which would enable the Secretary-General to prepare a detailed plan and submit the financial implications to the Advisory Committee. In the meanwhile the Committee could approve an over-all appropriation on a provisional basis.

While some representatives favoured this latter course, others believed that the Committee should have more precise information on the details of the scheme and its financial implications before attempting to reach any decision.

100. Accordingly, the Secretary-General submitted a report (A/C.5/701) furnishing further the details of the proposed schemes for "major medical costs" and dental care. So that the Committee, prior to its action, could have the benefit of further

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examination by the Advisory Committee of the admittedly complex technical aspects of the proposal, the Committee decided, at its 584th meeting, to request the Advisory Committee to study the Secretary-General's report and to submit its recommendations during the current session of the General Assembly.

101. The Advisory Committee in its forty-third report (A/3535) offered the following recommendations, which the Committee unanimously approved, at its 589th meeting:

- (a) that subject to item (c) below, the existing base medical/hospital insurance plans should be continued;
- (b) that the General Assembly should approve the broad lines of the proposed "major medical cost" coverage, to be made effective as from 1 June 1957, on the understanding that the detailed provisions should be framed within the unit of costs agreed by the Secretary-General;
- (c) that the existing subsidy formula should be replaced, as from 1 June 1957, by a formula providing for an equal sharing between the Organization and the staff of the over-all costs of the contributions under the plans covered by (a) and (b) above;
- (d) that the Secretary-General should study further the question of dental costs insurance and submit a detailed report, covering possible alternatives, to the Advisory Committee during its summer session in 1957.

Compensation on separation

- (i) Repatriation grant (paragraphs 223-225 of the Salary Review Committee's report)
- (ii) Termination indemnity (paragraphs 226-229 of the Salary Review Committee's report)

102. At its 585th meeting the Committee unanimously approved the recommendations of the Salary Review Committee that -

- (i) In respect of the repatriation grant the existing provision should be maintained with the exception that fixed-term staff with contracts of one year but not exceeding five years should receive a severance benefit in lieu of the grant;
- (ii) that the existing provisions should be maintained with the following changes:
 - (a) The indemnity should be paid on termination for health reasons (subject to the specified maximum); and

- (b) An indemnity varying from nil to the full amount should be payable, at the discretion of the Secretary-General, in the case of dismissal for misconduct (but not in the case of summary dismissal for serious misconduct).

Annual leave (paragraphs 249-254 of the Salary Review Committee's report)

103. At its 575th meeting, the Committee approved the recommendation of the Salary Review Committee that there should be no change in the existing practice with regard to annual leave except that the Secretary-General should be empowered to grant additional leave to staff serving in unhealthy climates.

Home leave (paragraphs 255-261 of the Salary Review Committee's report)

104. A few delegations expressed the view that grant of home leave every two years was a heavy drain on resources and caused prolonged absences. While not wishing to oppose the Salary Review Committee's recommendation and agreeing with the purposes of home leave, they wished to place on record their opinion that it would be more appropriate to grant the leave once in three years. Other representatives who participated in the discussion, however, opposed any curtailment of the existing arrangements. Reference was made to the Salary Review Committee's suggestion regarding the limitation of travel time on home leave journeys to air travel time. Some delegations wished to have an assurance that the provision would not be applied in such a way as to compel staff members with young families or who had an aversion to flying to forego their home leave. The representative of the Secretary-General drew the attention of the Committee in this connexion to paragraph 45 of the Secretary-General's report (A/C.5/691) seeking some administrative discretion in this matter. He assured the Committee that procedures for the exercise of such discretionary powers would be developed through the normal inter-agency consultative machinery and that every effort would be made to avoid inequity or hardship to the staff members.

105. At its 575th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that no change should be made in the present system of home leave, except that travel time should in principle normally be limited to air travel time.

Sick leave (paragraphs 264-267 of the Salary Review Committee's recommendations)
106. At its 575th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that the United Nations should apply the "Common Standard" adopted by the ACC in regard to sick leave.

Maternity leave (paragraphs 268-270 of the Salary Review Committee's report)

(a) Qualifying period for leave

107. Some representatives felt that the qualifying period of one year recommended by the Salary Review Committee, though an improvement over the existing situation, was still somewhat restrictive, and therefore suggested that the period should be reduced to ten months. The representative of the Union of Soviet Socialist Republics proposed that there should be no period of qualifying service for entitlement to maternity leave. The Committee rejected this proposal by 26 votes to 22, with 7 abstentions.

108. At its 576th meeting, the Committee approved by 35 votes to 11, with 4 abstentions, the recommendation of the Salary Review Committee that the qualifying period for maternity leave should be one year.

(b) Period of the leave and salary during the leave

109. While there were no objections to the Salary Review Committee's recommendation that the total period of the leave should continue to be twelve weeks, several delegations could not agree with that Committee's proposal that the second six weeks of the leave should be on half pay. They pointed out that this recommendation was inconsistent with the ILO Convention and ILO Maternity Protection Recommendation of 1952 and urged that the Secretary-General's proposal for payment of full pay during the entire twelve weeks of leave should be approved.

110. At its 576th meeting, the Committee unanimously approved the recommendation of the Salary Review Committee that the period of maternity leave should continue to be twelve weeks.

111. The Committee also approved by 49 votes to none, with 3 abstentions, the Secretary-General's recommendation that the whole period of maternity leave should be on full pay.

(c) Accrual of annual leave during maternity leave

112. Some delegations could not agree with the proposal of the Secretary-General that annual leave should not accrue during periods of maternity leave. They considered that these two types of leave were different in character and application of the provisions in the manner proposed would not in their opinion be justified. The recommendation of the Secretary-General that annual leave should not accrue during paid maternity was approved by the Committee by 31 votes to 13, with 5 abstentions, at its 576th meeting.

Travel conditions and subsistence allowance (paragraphs 274-278 of the Salary Review Committee's report)

113. In the Committee's consideration of this question at its 585th meeting, the view was expressed that the present rate of subsistence allowances might not adequately cover travel expenses in the case of officials between P-3 and D-2 levels who were sent to countries in group 3 (annex G of the Salary Review Committee's report). Secondly, the classification of some countries in the four groups of subsistence allowance rates appearing in Annex G mentioned above did not appear quite satisfactory. Thirdly, since there had been a complete revision of the system of classes and rates in the Western European Railways, the staff should not be obliged to travel second class on those railways. It was hoped that these observations would be taken into account when travel rules and arrangements were being studied by the inter-organization machinery mentioned in paragraph 49 of document A/C.5/691.

114. On the other hand, the Advisory Committee's recommendation that the Secretary-General should prepare revised travel rules calculated to produce savings in overall travel costs in 1957 was also supported.

115. The representative of the Secretary-General assured the Committee that the comments made would be taken into account. He pointed out that the standards applied to officials going on home leave were already minimum or near minimum. There appeared to be no evidence that the United Nations standards were more generous than those of Governments. While the Secretariat would continue to study all means for achieving economies, it was impossible to state that substantial economies would be achieved.

116. At its 585th meeting, the Committee approved, without dissent, the recommendation of the Salary Review Committee, it being understood that the observations of the Advisory Committee would be carefully considered.

Other allowances and benefits (paragraphs 207-211, 234-235, 237-240, 262-263, 271 of the Salary Review Committee's report)

117. At its 585th meeting, the Committee approved unanimously the recommendations of the Salary Review Committee concerning the following allowances and benefits -
Overtime, Night Differential, Special Post Allowance, Personal allowance, language allowance, Commutation of annual leave, service-incurred death, injury or disability, Group life insurance, special leave and removal expenses.

Use of Non-Career Staff

118. At its 585th and 586th meetings, the Committee discussed the use of non-career staff and in particular the statements of the Salary Review Committee to the effect:

(a) that it endorsed the proposal of the Secretary-General that greater use should be made of fixed-term staff obtained largely by secondment from government services, universities and similar institutions.

(b) that it would see no objection if, of the posts which were suitable for filling on a fixed-term basis, the proportion so filled were brought up to say 20 per cent, as opportunity offered, in organizations where the proportion is now lower.

(c) that the final responsibility in the selection of staffs must always rest with the Executive Head, and the extent to which he will be able in fact to bring in staff from outside will depend upon the availability of candidates who are in his view satisfactory, as well as upon other

considerations such as the possibility of the existence of promotion blocks.

The Committee also took into account comments of the Advisory Committee on this matter and statements made by the Secretary-General and his representatives.

119. There was a large measure of agreement in the Committee that the appointment of staff on a fixed-term basis, particularly by secondment from governments and

other institutions, had many advantages and that the proportion of such staff should be increased along the lines indicated. Advantages cited in support of this view included the following: it offered one of the most effective ways of improving the geographical balance of the staff; the Secretariats would benefit from the infusion of new ideas and experiences which non-career staff would bring, while the additional experience which such staff would take back to their governments and countries would be of great value, particularly to the less developed countries; it might prove useful in improving the age balance of the staff.

120. Some representatives, while recognizing the above advantages, and while not objecting to the increase of fixed-term staff, stated some additional considerations which should nevertheless be taken into account: the possible danger of divided loyalties might arise; the effect on the morale of career staff, particularly as promotion opportunities might be limited, must be borne in mind; fixed-term staff might require some time to become fully effective, and might leave the Secretariat too soon after they had achieved that position; the possibility of a government claiming a "vested right" to a post vacated by one of its seconded nationals might arise; many posts, as recognized by the Salary Review Committee, would not be suitable for filling on a fixed-term basis, and should continue to be filled on a career basis.

121. The views presented on behalf of the Secretary-General, briefly summarized, were as follows: the advantages of increasing the proportion of fixed-term staff out-weighed the possible disadvantages; experience had shown that no serious problem of divided loyalties need arise and, indeed, the conditions of the Charter and the oath of office were safeguards in this respect; the judicious blend of career and non-career staff would improve the effectiveness on both sides; the adoption of a prescribed percentage, even as a target, of posts to be filled by fixed-term staff would be undesirable, inasmuch as the Executive Head, by virtue of his inescapable constitutional responsibilities as Chief Administrative Officer, had to exercise his balanced judgement in this area of appointment of staff, to see that the practical needs of the organization were met, in order that the advantages of a larger proportion of fixed-term staff were realized while at the same time the disadvantages were minimized.

122. The concept of career staff must remain at the basis of Secretariat appointment policy and that what was under discussion was not a change in this basic principle, received considerable support.

123. Discussion turned to the question of the proportion of appointments which should be made on a fixed-term basis. While the Salary Review Committee had referred to a figure of say 20 per cent, with the qualifications noted above, the Advisory Committee had recognized the practical difficulty of achieving immediately any substantial increase in the present proportion. Some representatives held that the figure of 20 per cent was inadequate and should be raised; others emphasized the view that it would be unwise to restrict unduly the Secretary-General's freedom of action in the matter.

124. At its 586th meeting, the Committee approved by 39 votes to 3, with 16 abstentions a proposal of Iraq endorsing the recommendation of the Salary Review Committee that of the posts that are suitable for filling on a secondment basis, the proportion to be filled by fixed-term staff, whether by secondment or otherwise, might be brought up to say 20 per cent as opportunity offered. It was understood that the matter of the proportion of fixed-term staff should form the subject of an annual review by the Fifth Committee.

Reconciliation of Conditions of Service under Different Programmes

125. In its 586th and 587th meetings, the Fifth Committee considered the matter of reconciliation of conditions of service under different programmes, taking into account the report of the Salary Review Committee, the views of the Secretary-General and the executive heads of the specialized agencies, and the comments of the Advisory Committee.

126. The Rapporteur of the Salary Review Committee stated that the problem was an important one of practical administration facing the United Nations and the specialized agencies in their administration of staff serving in some 120 duty stations in fifty countries under five distinct types of service. Early remedy was required both to prevent the situation from deteriorating and to facilitate the operation of the post adjustment system. He discussed the detailed modifications which had been suggested by the Secretary-General and the other chief administrative officers.

127. The Chairman of the Advisory Committee stated he wished to make it clear that that Committee's proposal was not intended to postpone the early implementation of reconciliation, but rather to urge the Secretary-General to proceed with the necessary studies in conjunction with the specialized agencies and to report on progress made to the General Assembly at its twelfth session.

128. The representative of the Secretary-General welcomed the support for early action. He noted that the proposals before the Fifth Committee had been well considered. The detailed modifications proposed by the Secretary-General were designed purely to facilitate the administration of the system and could be achieved at no greater cost than the proposals of the Salary Review Committee.

129. The representative of New Zealand urged acceptance of the Salary Review Committee's proposals as modified by the Report of the Secretary-General and this proposal was supported by other representatives. The representative of India, while also supporting the New Zealand proposal, urged that the Salary Review Committee's recommendation be accepted with regard to the rates at which severance benefits should be paid, namely at two weeks' pay per year of service in the home country, and at four weeks' pay per year of service outside the home country. This amendment was accepted by the representative of New Zealand. The representative of the Secretary-General stated that necessarily he could not bind the executive heads of the specialized agencies, but that the Secretary-General had no major objection to this amendment.

130. The New Zealand proposal as amended by the representative of India, was adopted in the following terms: "The Fifth Committee approves the recommendations of the Salary Review Committee on reconciliation of conditions of service under different programmes (A/3209, Chapter XIII) subject to the modifications proposed by the Secretary-General of the United Nations, the Directors-General of the ILO, UNESCO and WHO, the Acting Director General of FAO and the Secretary-General of ICAO, as given in paragraphs 61 to 67 of the statement of joint views (A/C.5/691), except for those which concern paragraph 286 (d) (ii) of the Salary Review Committee's Report (A/3209)".

Machinery for dealing with certain pay and personnel problems

131. At its 587th meeting, the Committee discussed the matter of machinery for dealing with certain pay and personnel problems on the basis of the proposals made

by the Salary Review Committee, the comments of the Advisory Committee, and the observations of the Secretary-General and the Executive Heads of the specialized agencies.

132. The Rapporteur of the Salary Review Committee emphasized the importance the Salary Review Committee attributed to this matter. That Committee had noted with satisfaction the existing arrangements for co-ordination through the Administrative Committee on Co-ordination and its sub-committees in collaboration with the International Civil Service Advisory Board. Having in mind the common system, the Salary Review Committee felt there were certain measures still to be taken with regard to such matters as classification of staff, post adjustments, interpretation of cost of living statistics, fluctuation in rates of exchange, non-resident's allowances, reconciliation of conditions of service, non-financial factors, special leave, the basis for calculation of pensions, and others. The Salary Review Committee had concluded that the progressive development of appropriate machinery on the basis of existing bodies would be better than the establishment of entirely new machinery, and that was behind the Committee's proposals for increased resort to the International Civil Service Advisory Board under the conditions outlined in the Committee's Report, with provision for the use of outside experts and for a permanent and strengthened secretariat.

133. The Secretary-General and the Executive Heads of the specialized agencies had pointed out that further consideration would be necessary in working out a balance between achieving the advantages of broad and detached experience and judgement from outside on the one hand, and preserving intact the direct responsibilities of the various legislative bodies and Executive Heads in the administrative field on the other hand. They had agreed, however, that improvement in the machinery of co-ordination was needed, and they felt that further consultation at the administrative level, taking into account the observations of the Salary Review Committee, would be necessary if practical and progressive results were to be achieved. They had recommended that, as a first practical step, a small group of outside experts might be appointed to review and advise on the progressive implementation of the system of post adjustments, including the question of statistical methodology and elements of judgement.

134. The Chairman of the Advisory Committee stated that as far as aims and final objectives were concerned, there was no real difference of opinion between the Salary Review Committee and the Advisory Committee. If the latter recommended a rather slower procedure that was because the Secretary-General and the executive heads had made it clear that they needed further time to reach an agreement on a number of issues. It would be necessary to define the powers to be assigned to ICSAB provided that were done in such a way as not to jeopardize the proper balance between the legislative bodies and the executive heads, due regard being paid to the legitimate interests of the respective staffs. It would further be necessary to define and limit the respective powers to be exercised on the one hand, by the legislative bodies, which might endorse wholly or in part ICSAB's recommendations, and by the executive heads on the other hand, who would have the responsibility for giving effect to policy decisions. At the present stage, pending further study, he advised the Committee to postpone any decision on the possible widening of ICSAB's terms of reference. But ICSAB might be asked to look into some urgent matters and call upon experts if necessary.

135. The view was expressed that all pending questions could be settled through the existing machinery of co-ordination without further complicating the system by creating new machinery. But other delegations believed it was desirable to progress along the lines indicated in the Salary Review Committee report, and recognized the advantages of a gradual approach to the proposed objective. They believed it necessary to strengthen the common system by use of an independent advisory body whose advice should be sought, particularly on those matters to which the report of the Salary Review Committee referred. They saw no fundamental differences between the suggestion of the Salary Review Committee and that of the Advisory Committee, but rather a matter of tempo, and were prepared to follow the useful practical suggestion which the Chairman of the Advisory Committee had made.

136. As to the question of outside experts, the view was expressed that if the idea was to set up a body which would be common to but to some extent independent of the various organizations, it might be preferable for that body to have direct recourse to such impartial expert advice. It was also pointed out that the Secretary-General and the executive heads had authority to obtain such assistance and could call upon it as they saw fit in the discharge of their responsibilities.

137. The Chairman proposed that the Fifth Committee should endorse the suggestion made by the Chairman of the Advisory Committee to the effect that, pending further consideration of the question at the twelfth session, ICSAB, with the assistance of outside experts appointed by the Secretary-General in consultation with ICSAB and ACC, as may be necessary, should be asked by ACC to look into some of the most urgent of the matters referred to in the report of the Salary Review Committee. This view was accepted by the Committee.

Date of application of recommendations

Assimilation of staff to new conditions

138. At its 589th meeting, the Committee agreed to a suggestion by the Chairman that it take its decisions on these two points on the basis of the precise text, reflecting the sense of the recommendations of the Salary Review Committee, which would be included in the draft resolution which was being prepared by the Secretariat.

PART IV

CONCLUSION OF DISCUSSIONS AND DECISIONS OF THE COMMITTEE

139. At its 590th meeting, the Fifth Committee noted that it would take action on the financial implications of its decisions on this item when it considered the supplementary appropriations required for 1957. The Committee then began its consideration of the draft resolutions (A/C.5/L.445 and Add.1 and L.446) which had been prepared by the Secretariat to reflect in resolution form the Committee's actions on the specific points as indicated in the foregoing part of the present report.

140. The Secretary-General made a statement to the Committee (A/C.5/705) dealing with the Committee's decisions at its 582nd meeting to place Paris provisionally in Class 3 in the system of post adjustments, instead of Class 4 as recommended by the Salary Review Committee, and to place New York in Class 4, instead of Class 5 as the delegation of the Philippines had proposed at the 581st meeting. The Secretary-General expressed the hope that the Fifth Committee might see fit to reflect further on these decisions.

141. In the course of the discussion which followed, the representative of Guatemala proposed that the Fifth Committee should formally endorse the Salary Review Committee's recommendation that Paris should be placed in Class 4, and the representative of Ceylon supporting the representative of Syria proposed that New York should be placed in Class 5.

142. A number of delegations supported these two proposals. In the case of the class for Paris, they referred to the reasons they had given in the original discussion for their support of the recommendation of the Salary Review Committee. As regards the class for New York, they supported the Secretary-General's arguments for placing New York in Class 5.

143. Several delegations opposed the consideration of the new proposals, both on substantive and procedural grounds. On the question of procedure, they felt that the Committee had taken its decisions in a considered and definitive manner and that the questions should not be reopened. In any event, in their opinion, the new proposals fell within the scope of rule 12⁴ of the rules of procedure, dealing with reconsideration at the same session of decisions previously taken,

and therefore the proposals would require a two-thirds majority. The draft resolutions were based on decisions of the Committee, and amendments to those resolutions were clearly reconsiderations of those decisions.

144. Other delegations did not share the view that the new proposals were within the scope of rule 124. They expressed the opinion that the original decisions had been decisions in principle, and pointed to the fact that the discussion of the Salary Review Committee's report had been based on the Note by the Chairman (A/C.5/L.394/Add.2) in paragraph 4 of which, they had been so termed. They further noted that, in accordance with paragraph 5 of that note, it was at the time of the consideration of the draft resolutions that the Committee would take its final action on its recommendations to the General Assembly.

145. In the course of the discussion, the representative of the United Kingdom proposed the adjournment of the debate in order to permit delegations to receive instructions from their Governments. This motion was rejected by 27 votes to 23, with 13 abstentions.

146. The Committee then voted on a proposal by the representative of New Zealand, as to whether a consideration of the proposal which had been made constituted "reconsideration" within the scope of rule 124 of the rules of procedure. The vote was by roll-call.

In favour: Albania, Australia, Belgium, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, France, Ireland, Japan, Liberia, New Zealand, Sweden, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Against: Afghanistan, Bolivia, Brazil, Burma, Ceylon, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Ethiopia, Greece, Guatemala, Haiti, India, Indonesia, Iran, Iraq, Israel, Jordan, Panama, Peru, Philippines, Saudi Arabia, Syria, Thailand, Uruguay, Venezuela, Yemen.

Abstaining: Argentina, Austria, China, Honduras, Iceland, Italy, Mexico, Netherlands, Nicaragua, Norway, Pakistan, Poland, Portugal, Romania, Spain.

Accordingly, the Committee decided that rule 124 did not apply.

147. The Committee continued its discussion of the draft resolutions and of the proposals of Guatemala and Ceylon.
148. At the 592nd meeting of the Committee the representative of the United States proposed that, rather than change the New York post adjustment as previously agreed, the base salary scale should be increased by 2 per cent. In the opinion of his delegation, the proposal to change New York to class 5 violated the principle of the post adjustment system which provided the procedure for automatic movement from one class to another on the basis of 5 per cent changes in the cost of living, maintained over nine months. This procedure was a great improvement for the staff. The requirements under the procedure had not been met, and it would be unfortunate if the principle were violated from the outset. He stated that his alternative proposal went some way toward meeting the Secretary-General's request without violating the principle. Further it would take into account the claims of the heads of the Geneva organizations, which had been recognized by the Salary Review Committee, that the establishment of the Geneva salaries on 1 January 1956 as the base caused the Geneva staff to lose two percentage points they had accrued towards a cost-of-living increase. The proposal related to pensionable remuneration and had an additional advantage in that fact.
149. The representative of the United States asked that a vote on the proposals before the Committee be deferred until the delegations had had an opportunity to consider his proposal and the views of the Secretary-General had been heard.
150. At its 592nd meeting, the Secretary-General made a statement (A/C.5/706) in which he concluded that while recognizing, for the reasons he gave, the considerable merit in the United States proposal, it fell short of his proposal that New York be placed in class 5 in meeting what he considered to be the most urgent need. He felt that the Committee would wish to keep his proposal before them.
151. The representative of the United States expressed his regret that the Secretary-General had not found himself able to accept the United States proposal. He withdrew the proposal.
152. At its 593rd meeting the Committee concluded its consideration of the draft resolutions before it. The Committee voted first, by roll-call, on the

proposal made by the representative of Ceylon at its 590th meeting that, in amendment of the draft resolution (A/C.5/L.446), New York should be placed in Class 5 in the system of post adjustments.

In favour: Afghanistan, Austria, Bolivia, Brazil, Burma, Ceylon, Chile, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, Greece, Guatemala, Haiti, Honduras, India, Indonesia, Iran, Iraq, Israel, Jordan, Lebanon, Liberia, Libya, Mexico, Nepal, Netherlands, Nicaragua, Pakistan, Panama, Paraguay, Peru, Philippines, Saudi Arabia, Spain, Sudan, Syria, Thailand, Uruguay, Venezuela, Yemen, Yugoslavia.

Against: Albania, Australia, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Finland, France, Ireland, Italy, Japan, New Zealand, Norway, Poland, Romania, Sweden, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Argentina, Denmark, Ethiopia, Portugal, Turkey.

The Ceylonese amendment was adopted by 45 votes to 22, with 5 abstentions.

153. The Committee then voted, by roll-call, on the proposal made by the representative of Guatemala at its 590th meeting that, in amendment of the draft resolution (A/C.5/L.446), Paris should be placed in Class 4, as recommended by the Salary Review Committee.

In favour: Afghanistan, Argentina, Australia, Bolivia, Brazil, Canada, Ceylon, Chile, China, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Greece, Guatemala, Haiti, Honduras, India, Indonesia, Iran, Iraq, Ireland, Japan, Jordan, Liberia, Libya, Mexico, Netherlands, New Zealand, Nicaragua, Pakistan, Panama, Paraguay, Peru, Philippines, Saudi Arabia, Spain, Sudan, Syria, Thailand, United States of America, Uruguay, Venezuela, Yemen, Yugoslavia.

Against: Albania, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, Italy, Norway, Poland, Romania, Sweden, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland.

Abstaining: Austria, Burma, Finland, Israel, Portugal, Turkey, Union of South Africa.

The Guatemalan amendment was adopted by 49 votes to 14, with 7 abstentions.

154. The Committee then approved, by 38 votes to 8, with 17 abstentions, the draft resolution contained in document A/C.5/L.446, as amended.

155. On the draft resolution contained in documents A/C.5/L.445 and Add.1, the representative of the Secretary-General accepted a drafting amendment by the representative of New Zealand, and agreed with a suggestion by the representative of the Union of Soviet Socialist Republics that the two draft resolutions (A/C.5/L.445 and Add.1 and A/C.5/L.446) should in the final text form a single resolution. The Committee approved unanimously the draft resolution contained in documents A/C.5/L.445 and Add.1, as amended.

156. In the course of the consideration of the draft resolution, the Chairman of the Fifth Committee drew attention to the many tributes that had been paid to the work of the Salary Review Committee and to its report. The Committee agreed unanimously that the draft resolution should express the great appreciation of the General Assembly for that work. Further the Fifth Committee wishes to place on record its high tribute to the invaluable contribution made in its discussion of this item by the Rapporteur of the Salary Review Committee, Mr. J.K. Hunn (New Zealand).

157. Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the draft resolution set out in the annex to the present report.

UNITED NATIONS SALARY, ALLOWANCE AND BENEFITS SYSTEM

A

The General Assembly,

Having considered the report of the Salary Review Committee (A/3209) established by General Assembly resolution 975 (X) of 15 December 1955, the comments thereon by the Secretary-General and by the executive heads of the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization and the International Civil Aviation Organization (A/C.5/691), and the observations of the Advisory Committee on Administrative and Budgetary Questions (A/3505),

1. Expresses its great appreciation to the Salary Review Committee for its valuable work,

2. Requests the Secretary-General:

(a) To apply the provisions of base pay, post adjustments and dependency allowances, as set forth in paragraph 7 below, to staff serving at Headquarters or at the European Office of the United Nations with effect from 1 January 1957, and to apply these provisions as soon as practicable to other members of the staff of the United Nations, with effect from dates established by him for each office;

(b) After consultation with the executive heads of the specialized agencies, to carry out the reconciliation of conditions of service under different programmes referred to in chapter XIII of the report of the Salary Review Committee, by application of the basic measures proposed by that Committee, including provision for an assignment allowance for staff members on certain temporary assignments, subject to such modification of the detailed proposals as the Secretary-General deems necessary and desirable;

(c) To be guided by the conclusions of the Fifth Committee, as recorded in its report to the General Assembly, in respect of matters therein not covered by the present resolution;

3. Requests the Secretary-General, in conjunction with the executive heads of the specialized agencies concerned and in co-operation with the Joint Staff Pension Board:

(a) To review the question of the pensionable remuneration of the staff with a view to making recommendations for action by the General Assembly;

(b) To provide for death and disability protection for members of the staff on temporary appointments for a fixed term, if practicable by eventual amendment of the Regulations of the Joint Staff Pension Fund;

4. Resolves that a new staff regulation 3.3, as set forth in paragraph 7 below, shall amend the provisions of resolution 359 (IV) of 10 December 1949, as amended by 973 C (X) of 15 December 1955, dealing with the Staff Assessment Plan;

5. Authorizes the Secretary-General to broaden the existing medical and hospital care schemes applicable to staff, with effect from 1 June 1957 or as soon thereafter as may prove practicable; these schemes to be financed on the basis of an over-all sharing of the costs by the participating staff and the Organization on an approximately equal basis in such a manner that a larger measure of financial assistance will be granted to staff in the lower salary levels than to staff in the higher salary levels;

6. Authorizes the Secretary-General to pay, as a transitional measure, personal allowances to present staff members who would otherwise suffer a reduction in emoluments through the initial application of new rates or conditions for dependency allowances, such personal allowances to be decreased and eventually eliminated according to a procedure to be prescribed by the Secretary-General;

7. Resolves that the Staff Regulations of the United Nations be amended as follows with effect from 1 January 1957:

Annex I, paragraph 3

A Director shall receive a salary of US\$18,000 per annum (subject to the Staff Assessment Plan provided in staff regulation 3.3 and to post adjustments wherever applied) and, if otherwise eligible, shall receive the allowances which are available to staff members generally. In addition, the Secretary-General is authorized, on the basis of appropriate justification and/or reporting to make additional payments to Directors to compensate for such special costs as may be reasonably incurred in the interest of the Organization in the performance of duties assigned to them by the Secretary-General. The maximum annual payment for any one Director shall be \$1,000.

Annex I, paragraph 4

Except as provided in paragraph 6 of the present annex, the salary scales for staff members in the Principal Officer and Director category and in the Professional category shall be as follows (subject to the Staff Assessment Plan provided in staff regulation 3.3 and to post adjustments wherever applied):

Basic Salary Scales

(Subject to the Staff Assessment Plan provided by staff regulation 3.3 and to post adjustments wherever applied)

Rate for Director to be changed to \$18,000.

Annex I, paragraph 9 (Post adjustments)

Replace the present text by the following:

In order to preserve equivalent standards of living at different offices, the Secretary-General may adjust the basic salaries set forth in paragraphs 3 and of this annex by the application of non-pensionable post adjustments, the amounts of which shall be determined on the basis of relative costs of living, standards of living and related factors at the office concerned as compared to Geneva on 1 January 1956. Such post adjustments shall not be subject to the Staff Assessment Plan and their amounts shall vary by salary level as determined from time to time by the General Assembly.

Staff regulation 3.2 (Children's allowances and education grants)

In order to delete reference to children's allowances, delete the first paragraph. Delete the word "also" from the first line of the second paragraph. Delete from the fourth paragraph the words "the children's allowances or". Delete paragraph 1 of annex IV dealing with children's allowances.

Staff regulation 3.3 (Staff Assessment Plan formerly in resolution 359 (IV), as amended by resolution 973 C (X))

(a) An assessment at the rates and under the conditions specified below shall be applied to the salaries and emoluments of staff members, but not to dependency benefits or to post adjustments, provided that the Secretary-General may, where he deems it advisable, exempt from the assessment the salaries and other emoluments of staff engaged at locality rates;

(b) The assessment shall be calculated according to the following rates:

<u>Total assessable payments</u>	<u>Assessment</u>
Not exceeding \$4,000 per year	15 per cent
Next \$2,000 per year	20 per cent
" \$2,000 " "	25 per cent
" \$2,000 " "	30 per cent
" \$2,000 " "	35 per cent
" \$3,000 " "	40 per cent
Remaining assessable payments	50 per cent

- (c) As in article 3 (b) of resolution 359 (IV).
- (d) As in article 6 of resolution 359 (IV).
- (e) As in article 7 of resolution 973 C (X).
- (f) As in article 8 of resolution 973 C (X), with the addition of the following sub-paragraph at the end:

- (d) A payment under the conditions prescribed in the three preceding sub-paragraphs is authorized in respect of dependency benefits and post adjustments, which are not subject to staff assessment, but may be subject to national income taxation.

Staff regulation 3.4 (Dependency benefits) (new)

- (a) Staff members in the Principal Officer and Director category or in the Professional category shall be entitled to receive dependency allowances as follows:
 - (i) At \$200 per annum for a dependent wife or dependent husband and at \$300 per annum for each dependent child; or
 - (ii) Where there is no dependent spouse, a single annual allowance of \$200 for either a dependent parent, a dependent brother or a dependent sister.
- (b) If both husband and wife are staff members, one may claim, for dependent children, under (i) above, in which case the other may claim only under (ii) above, if otherwise entitled.
- (c) Staff members whose salary rates are set by the Secretary-General under paragraph 6 or paragraph 7 of annex I to these regulations shall be entitled to receive dependency allowances at rates and under conditions determined by the Secretary-General, due regard being given to the circumstances in the locality in which the office is located.
- (d) Claims for dependency allowances shall be submitted in writing and supported by evidence satisfactory to the Secretary-General. A separate claim for dependency allowances shall be made each year.

Annex III to the Staff Regulations:

Add to paragraph (d) a new item:

- (d) /No indemnity payments shall be made to:/

A staff member who for disciplinary reasons is otherwise dismissed for misconduct, provided that the Secretary-General may grant in such a case, at his discretion, a termination indemnity in any amount not exceeding the full indemnity provided under paragraphs (a), (b) or (e) of this annex, whichever is applicable. /...

Add a new paragraph (f) to read:

(f) A staff member whose appointment is terminated for reasons of health shall receive the termination indemnity set out in this annex, to the extent that the amount of the termination indemnity, when added to the annual amount of the disability benefit payable to him under the Regulations of the Joint Staff Pension Fund, does not exceed one year's salary.

Staff regulation 9.4 and annex IV (Repatriation grant and service benefit)

The Secretary-General shall establish a scheme for the payment of repatriation grants or service benefits within the maximum rates and under the conditions specified in annex IV to the present regulations.

Renumber repatriation grant provision to paragraph 1 of annex IV.

Amend opening paragraph of repatriation grant provision to read "In principle, the repatriation grant shall be payable to staff members whom the Organization is obligated to repatriate, except staff members on temporary appointments for a fixed term entitled to a service benefit. Neither repatriation grant nor service benefit shall be paid to a staff member who is summarily dismissed."

Insert a new provision as paragraph 2 to annex IV entitled "Service Benefit", as follows:

Service benefit

(a) If his letter of appointment so indicates, a staff member who has served at least one year on a temporary appointment for a fixed term shall receive upon separation a service benefit at the rate of 4 per cent of salary during service in his home country and at the rate of 8 per cent of salary during service outside his home country, for each year of service.

(b) Should such a staff member, without break in service, be granted a probationary or permanent appointment, or complete five years of qualifying service on temporary appointment for a fixed term, he shall lose entitlement to the service benefit.

(c) Service for calculation of the service benefit shall mean service subsequent to the entry of this provision in the letter of appointment.

B

The General Assembly,

Believing that it is desirable that, as far as practicable, there should be a common system relating to salaries, allowances and benefits of the United Nations and of the specialized agencies and that, in particular, staff serving the United Nations and the specialized agencies in the same centres should be governed, as a general rule, by similar standards of salary and related benefits,

1. Calls the attention of the specialized agencies to resolution A above, which sets out decisions taken by the General Assembly with regard to the staff of the United Nations and recommends to the specialized agencies the adoption of similar provisions with respect to their staffs;

2. Decides that, with effect from 1 January 1957, the post adjustment for United Nations Headquarters in New York shall be Class 5 within the system proposed by the Salary Review Committee and adopted by the General Assembly;

3. Recommends to the specialized agencies that, for the purposes of post adjustment, and with effect from 1 January 1957, Geneva be placed in Class 1, and that, provisionally, Rome be placed in Class 2, Paris be placed in Class 4, and Montreal be placed in Class 4;

4. Requests the Secretary-General to apply, to the members of the staff of the United Nations serving in the headquarters area of a specialized agency which has adopted the post adjustment system recommended by the Salary Review Committee and approved by the General Assembly, the class of post adjustment set by that agency for that area;

5. Commends the United Nations Staff Assessment Plan to the attention of the specialized agencies, and invites consideration of the advantages to be gained by common adherence to this system.
