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PROGRAMME BUDGET FOR THE BIENNIUM 1990-1991

Conditions of service and compensation for officials other than  
Secretariat officials

Full-time members of the International Civil Service Commission  
and the Chairman of the Advisory Committee on Administrative  
and Budgetary Questions

Report of the Secretary-General

INTRODUCTION

1. In paragraph 3 of its resolution 40/256 of 18 December 1985, the General Assembly decided that the compensation and other conditions of service of the full-time members of the International Civil Service Commission (ICSC) and of the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) should next be reviewed at the forty-fifth session of the General Assembly. The present report is submitted pursuant to that decision.
2. In order to facilitate consideration of the various issues regarding the compensation and conditions of service of the two full-time members of ICSC and the Chairman of ACABQ, the present report has been divided into seven sections, as follows: remuneration, other conditions of service, post-retirement benefits, review of the level of compensation, review of other conditions of service, financial implications and the next comprehensive review.

# I. REMUNERATION: BACKGROUND INFORMATION

## A. Chairman of ACABQ

3. From 1948 to 1957, the Chairman of ACABQ received a special allowance of \$50 a day while engaged in the work of the Committee and not in the service of his Government or any other body. On the basis of a comprehensive review of honoraria and special allowances, the General Assembly, at its twelfth session, in 1957, 1/ decided that the Chairman of ACABQ should receive an annual net lump-sum honorarium of \$5,000, plus a subsistence allowance at the rate applicable to senior Secretariat officials, during sessions of the Committee not held at Headquarters.

4. The General Assembly increased the honorarium to \$25,000 as from 1 January 1972, 2/ in recognition of the substantially increased responsibilities entrusted to the Chairman of ACABQ and of the time needed to discharge them, which had made it impossible for him to be concurrently engaged in other activities on behalf of his Government or any other body.

5. In section VI of resolution 32/212 of 21 December 1977, the General Assembly increased the total compensation to \$50,000, effective 1 January 1978, making it equivalent to the amount of compensation and the additional allowance received by the Chairman of ICSC. The same level of compensation for the two Chairmen has been maintained since that time. Accordingly, as was the case for the Chairman of ICSC, the compensation of the Chairman of ACABQ was increased to \$55,000, effective 1 January 1979. 3/ At its thirty-fourth session, the Assembly, in section XIII of resolution 34/233 of 20 December 1979, approved an annual compensation of \$59,000 effective 1 January 1980. In paragraph 1 of resolution 35/221 of 17 December 1980, the Assembly approved an annual compensation of \$67,000 as from 1 January 1981. In resolution 40/256 of 18 December 1985, the Assembly decided to maintain the annual compensation of the Chairman of ACABQ at \$82,056. As a result of the interim adjustment procedure described in paragraph 13 below, the annual compensation of the Chairman of ACABQ was increased to \$87,979 effective 1 January 1987, to \$92,198 effective 1 January 1988 and to \$101,418 effective 1 January 1990. The Chairman of ACABQ also receives an additional allowance in the amount of \$5,000 per annum.

## B. Chairman and Vice-Chairman of ICSC

6. Article 19 of the statute of ICSC, which was approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that "the conditions of service of the Chairman and the Vice-Chairman of the Commission shall be determined by the General Assembly". In his first report (A/9147) to the Assembly at its twenty-eighth session in 1973, in which he had included a draft statute for the Commission, the Secretary-General indicated that the purpose of the article was "to set apart the salary and allowances to be paid to the full-time members of the Commission from those of the staff of the organizations which the Commission will be required to review, advise or determine". In its comments on the draft statute, the International Civil Service Advisory Board (ICSAB) endorsed that provision "for the sake of general confidence in their [the full-time Commissioners'] freedom from bias", and stated that "the remuneration and status of the Chairman should be such as to permit him to speak on equal terms with executive heads". The Board added,

however, that "this should not be taken as a recommendation of parity". With those observations in mind, the Secretary-General recommended, at that time, that the remuneration of the Chairman and the other full-time members (two were proposed in the original version of the draft statute) "should be set at a level not less than that of an Assistant Secretary-General".

7. In its related report (A/9891) to the General Assembly at its twenty-ninth session, ACABQ made the following observations:

"The essential consideration is to ensure that the full-time commissioners are seen to be independent of the top echelon of the Secretariat. To that end, they should have conditions of service distinct from those of the Secretariat.

"The remuneration of the full-time commissioners should be set by the General Assembly outside the common system, so that they should not be personally affected by the recommendation they would be called upon to make in exercise of their functions [and] it should take the form of an honorarium appropriate to the complexity and importance of the tasks they will perform under the Commission's statute."

8. On that basis, ACABQ recommended that (a) the amount be set initially at \$45,000 net a year; (b) the Chairman of the Commission should also receive an allowance of \$5,000 net a year in recognition of his added responsibilities; (c) the honoraria should not be liable to staff assessment; and (d) since post adjustment would not apply to the honoraria, the latter should be reviewed by the General Assembly at appropriate intervals. In its resolution 3357 (XXIX), the Assembly approved the recommendations of ACABQ.

9. The honoraria (later redesignated as annual compensation) established for the Chairman and Vice-Chairman of ICSC were marginally lower than the net remuneration at that time for the two senior Secretariat levels in New York (as of 1 January 1975, \$50,000 and \$45,000 compared with \$50,768 and \$45,928 for an Under-Secretary-General and an Assistant Secretary-General, respectively). By the time the first Chairman of the Commission assumed his duties on 1 April 1975, the honorarium plus the additional allowances were approximately equivalent to the amount corresponding to the mid-point between the net remuneration (net base salary, post adjustment at dependency rate, spouse allowance and representation allowance) of Under-Secretaries-General (\$52,217) and Assistant Secretaries-General (\$47,257) in New York.

10. In his report to the General Assembly at its thirty-third session (A/C.5/33/41), the Secretary-General reviewed the compensation and other conditions of service of full-time officials other than staff members and presented comprehensive data on the emoluments of the two full-time commissioners and those of officials at the Assistant Secretary-General and Under-Secretary-General levels. He noted that, unlike the situation for staff members, "no distinction is currently made in the direct monetary payments to the full-time members of ICSC according to their dependency status". The Secretary-General made no specific recommendation other than to note that the information and data contained in the

report provided all the elements needed for the Assembly to arrive at a judgement on the appropriate compensation for the Chairman and Vice-Chairman of ICSC.

11. In its report, 4/ ACABQ recommended that "the honorarium of the Chairman and Vice-Chairman of ICSC be set at \$55,000 net a year as from 1 January 1979 and that the Chairman continue to receive an allowance of \$5,000 in recognition of his added responsibilities". The Committee did not recommend the introduction of different levels of compensation according to the dependency status of the Commissioners. In section VIII, paragraph 4, of resolution 33/116 B of 21 December 1978, the General Assembly approved the recommendation of ACABQ.

12. At its thirty-fourth session in 1979, the General Assembly, in section XIII of resolution 34/233, approved as an interim measure, pending a review at its thirty-fifth session, an annual compensation of \$59,000 for the two full-time members of ICSC and the Chairman of ACABQ, with an additional allowance of \$5,000 for the Chairman of ICSC and the Chairman of ACABQ, effective 1 January 1980. In taking that action, the Assembly recognized the difficulties regarding the timing of adjustments inherent in the procedures set out in section VIII, paragraph 6, of its resolution 33/116 B which called for a review of the compensation of those full-time officials every four years or when the consumer price index (CPI) in the United States had risen by 10 per cent since the last review, whichever came first.

13. In his report to the General Assembly at its thirty-fifth session (A/C.5/35/53), the Secretary-General proposed an automatic interim adjustment procedure based on the movement of the CPI in New York. More specifically, the interim adjustment procedure, which the Assembly adopted in paragraph 3 of its resolution 35/221, provided that, beginning in January 1982, the annual compensation be increased in January of each year by 90 per cent of the New York CPI movement (rounded to the nearest whole number) since the last adjustment, provided the CPI had increased by at least 5 per cent. On that basis, the compensation for the Chairman and Vice-Chairman of ICSC increased from \$67,000 to \$72,360, effective 1 January 1982, and to \$75,978, as from 1 January 1983. By resolution 40/256, the General Assembly decided to maintain the annual compensation of the Chairman and Vice-Chairman at \$82,056. As a result of the interim adjustment procedure, the annual compensation of the two full-time members of ICSC increased to \$87,979, effective 1 January 1987, to \$92,198 effective 1 January 1988 and to \$101,418 effective 1 January 1990, with the Chairman of ICSC continuing to receive an additional allowance of \$5,000 per year which is not subject to automatic adjustment.

14. In his report to the General Assembly at its thirty-eighth session (A/C.5/38/27), the Secretary-General proposed the introduction of a distinction in the compensation according to dependency status. In this regard, he recommended that the annual compensation for an official without dependants be set at 90 per cent of the level applicable for officials with dependants.

15. In its report, 5/ ACABQ expressed the belief that the definition and application of dependency criteria would introduce an unnecessary complication into the remuneration of the Chairman and Vice-Chairman of ICSC and therefore recommended that they continue to be compensated without distinction as to

dependency status. The General Assembly, by resolution 40/256, concurred with the ACABQ recommendation.

## II. OTHER CONDITIONS OF SERVICE

### A. Chairman of ACABQ

16. Although, as described in paragraphs 3 to 5 above, significant changes have taken place since 1948 in the nature and the amount of the compensation received by the Chairman of ACABQ, the other conditions of service continue to be limited to the following, as summarized in the Secretary-General's report to the General Assembly at its thirty-third session (A/C.5/33/41):

(a) Coverage for illness, injury or death attributable to service with the United Nations under the provisions of the compensation plan initially authorized by the General Assembly in its resolution 458 (V) and the rules promulgated by the Secretary-General governing such compensation, the latest revision (ST/SGB/103/Rev.1) of which was subsequently approved by the Assembly in its resolution 34/233;

(b) Subsistence allowance when conducting ACABQ business away from Headquarters;

(c) In the absence of any written requirement that the Chairman reside in New York, the same travel entitlements as apply to the other members of ACABQ.

17. In reviewing the above conditions of service, ACABQ concluded that they need not be altered at that stage. 4/ That position was endorsed by the General Assembly in its resolution 33/116 B.

18. In his report to the General Assembly at its thirty-eighth session (A/C.5/38/27), the Secretary-General expressed the view that the Organization should extend to the Chairman of ACABQ a grant to help meet part of the additional cost of education arising from his expatriate status. He further suggested that the amount of the reimbursement per child might be subject to a ceiling of \$4,500 per school year and that it would also seem appropriate to provide for one related travel per year from the place of scholastic attendance outside the country of the duty station to the duty station.

19. In paragraph 2 of its resolution 40/256, the General Assembly approved the education grant for the Chairman of ACABQ as recommended by the Committee in its report. 5/

B. Chairman and Vice-Chairman of ICSC

20. Since the General Assembly in 1974 had confined its action to establishing the amount of annual compensation (then called honorarium), it was necessary for the Secretary-General to determine appropriate arrangements regarding the other conditions of service to be extended to the Chairman and Vice-Chairman of ICSC. That was done in letters from the Secretary-General to those officials upon assumption of their duties in which it was specified that as regards their conditions of employment "your status will be assimilated to that of the highest ranking officers of the United Nations Secretariat", i.e., Under-Secretaries-General and Assistant Secretaries-General. The Secretary-General informed the Assembly, on the occasion of the first comprehensive review of these officials in 1978 (A/C.5/33/41), that in actual implementation the assimilation had included extending the following entitlements to the two members of the Commission in respect of themselves and their dependants by reference to the relevant provisions of the Staff Rules:

- (a) Travel expenses on appointment;
- (b) Removal of household goods and effects;
- (c) Entitlements for travel on official business (subsistence and travel costs);
- (d) Home leave (once every two years);
- (e) Annual leave (six weeks a year);
- (f) Sick leave;
- (g) Coverage for service-incurred death, injury or illness under appendix D of the Staff Rules;
- (h) Inclusion under the Headquarters medical insurance scheme but without a subsidy.

The Secretary-General stated that those arrangements were based on considerations that the Chairman and Vice-Chairman were appointed for four years and were required by the statute of the Commission to serve full-time in New York.

21. In its comments on the Secretary-General's report, ACABQ stated 4/ that the assimilation in the letters of appointment of the status of the two officials to that of the highest ranking officers of the Secretariat was inconsistent with the view previously expressed by the Committee, which is quoted in paragraph 7 above. ACABQ therefore recommended that the formulation used in the letters of appointment of the two full-time members of the Commission be discontinued.

22. As regards the entitlements themselves, ACABQ stated that:

(a) The entitlement to subsistence and travel costs when travelling on official business derived not from the relevant provisions of the Staff Rules but from the relevant provisions of the General Assembly resolutions on the travel of members of commissions, committees and other bodies serving in their individual capacity;

(b) Coverage for service-incurred death, injury or illness should be under the rules governing compensation to members of commissions, committees or similar bodies in the event of death, injury or illness attributable to service with the United Nations and that the Secretary-General should make recommendations for the amendment of the existing rules (revised rules ST/SGB/103/Rev.1, were subsequently approved by the Assembly in its resolution 34/233);

(c) The United Nations should bear the cost of travel to New York for the full-time members of the Commission and their dependants and of the removal of their household goods and effects, when they assume or relinquish their duties;

(d) The full-time members of the Commission should be given the option of joining the Headquarters medical insurance scheme upon payment of the full cost of the premium;

(e) Inasmuch as they were not staff members, it was not appropriate that provisions of the Staff Rules should apply to the entitlement to home leave, annual leave and sick leave of the two members of the Commission. As regards home leave the United Nations should defray the travel costs for a specified number of occasions during a four-year term of office, leaving the periodicity of the travel to the discretion of the members of the Commission themselves.

23. The Secretary-General informed the General Assembly in his 1978 report (A/C.5/33/41) that, in the light of the policy to distinguish the salary and allowances of the two members of the Commission from those of the staff, the following allowances and grants applicable to internationally recruited staff had not been extended to the Chairman and Vice-Chairman of the Commission:

- (a) Dependency allowance;
- (b) Education grant and travel;
- (c) Installation grant;
- (d) Repatriation grant;
- (e) Commutation of accrued annual leave upon separation.

24. ACABQ was of the opinion that it would not be appropriate, as a matter of principle, for the full-time members of the Commission to receive the various grants and allowances that reflected the needs of recruitment and retention of a career international civil service. It indicated that while it would be possible to devise a special system of grants and allowances for them, it doubted the appropriateness of devising such a system for two persons, particularly as it would

be impossible to prevent comparisons between such a special system and the corresponding grants and allowances under the United Nations common system. For those reasons, the Committee recommended that the allowances listed in paragraph 23 above should not be extended to the full-time members of the Commission.

25. In paragraph 5 of section VIII of resolution 33/116 B, the General Assembly approved the other conditions of service for the two full-time members of the Commission as recommended by ACABQ.

26. In section XIV of resolution 37/237 of 21 December 1982, the General Assembly took note of the view expressed by Member States on the question of an education grant for certain full-time officials other than members of the Secretariat and decided to consider the question at its thirty-eighth session on the basis of a report by the Secretary-General "as part of an overall review of compensation and other conditions of service of the full-time officials".

27. As stated in paragraph 18 above, the Secretary-General expressed the view, in his report to the General Assembly at its thirty-eighth session (A/C.5/38/27) that the Organization should extend to the three officials a grant to help meet part of the additional cost of education arising from their expatriate status. Believing that it was desirable to avoid a complicated arrangement that would apply only to a few officials, the Secretary-General suggested that the officials be reimbursed for the actual cost of educating their children in respect of each child up to the award of the first recognized degree. He further suggested that the amount of the reimbursement per child might be subject to a ceiling of \$4,500 per school year and that it would also seem appropriate to provide for one related travel per year from the place of scholastic attendance outside the country of the duty station to the duty station.

28. In paragraph 2 of its resolution 40/256, the General Assembly approved the education grant for the three officials as recommended by ACABQ in its report. 5/

### III. POST-RETIREMENT BENEFITS

29. In 1978, when the question of post-retirement benefits was discussed, ACABQ had taken the position in its report 4/ that "it would not be appropriate to grant the full-time members of the Commission any post retirement benefits or repatriation grant. In the view of ACABQ, the General Assembly did not intend that the full-time members of the Commission be dependent on the United Nations after they had left the Commission.

30. However, as a result of action taken by the General Assembly in resolution 37/131 of 17 December 1982, the Chairman of ACABQ and Chairman and Vice-Chairman of ICSC became participants in the United Nations Joint Staff Pension Fund (UNJSPF) under supplementary article B of the Fund Regulations, with effect from 1 January 1983. The pensionable remuneration of the three officials was set at \$120,000 per year and was to be subject to adjustment on the same dates and by the same percentage amounts as applicable to staff in the Professional and higher categories under article 54 of the Pension Fund Regulations.



31. In the light of the recommendation made by ICSC and approved by the General Assembly in section II of resolution 39/246 of 18 December 1984 vis-à-vis the new methodology for determining the pensionable remuneration of staff in the Professional and higher categories, which no longer called for a direct link between the pensionable and gross salaries, the pensionable remuneration of the two full-time members of the Commission and the Chairman of ACABQ has remained unchanged at \$120,000 per annum since 1983.

#### IV. REVIEW OF THE LEVEL OF COMPENSATION

32. In the last three reviews conducted in 1978, 1980 and 1983, to which references were made above, tables were provided, comparing the evolution of the compensation of the three officials with those of senior Secretariat officials in New York since the last revision. As mentioned in paragraph 10 above, no differentiation is currently made in the compensation of the three officials according to their dependency status. The table below compares the level of their compensation with those of senior Secretariat officials for the period January 1983 to January 1991. The remuneration of the latter, which varies according to their dependency status, consists of net base salary, post adjustment and representation allowance (\$4,000 for Under-Secretaries-General and \$3,000 for Assistant Secretaries-General).

Evolution of the annual compensation of the Chairman of ACABQ  
and the Chairman and Vice-Chairman of ICSC and of the senior  
Secretariat officials in New York

(In United States dollars)

	Chairman of ACABQ and ICSC a/	Vice- Chairman of ICSC	Assistant Secretary-General		Under-Secretary-General	
			With dependant	Without dependant	With dependant	Without dependant
January 1983	80 978	75 978	73 530	67 252	80 878	73 790
January 1984	80 978	75 978	76 447	69 908	84 057	76 674
January 1985	87 056	82 056	83 202	75 972	91 419	82 966
January 1986	87 056	82 056	83 202	75 972	91 419	82 966
January 1987	91 979	86 979	83 202	75 972	91 419	82 966
January 1988	97 198	92 198	83 202	75 993	91 419	82 961
January 1989	97 198	92 198	89 063	75 997	97 805	82 947
January 1990	106 418	101 418	92 970	84 884	102 061	92 562
January 1991 (projected) b/	112 500 c/	107 500 c/	106 850 d/	96 752 d/	117 228 d/	105 145 d/
Percentage increase e/	38.9	41.5	45.3	43.9	44.9	42.5

a/ Includes special allowance of \$5,000.

b/ Projection does not reflect proposals contained in paragraphs 35 and 39 below.

c/ Under the adjustment procedure described in paragraph 13 of the present report, the annual compensation of the three officials would be increased on 1 January 1991 by 90 per cent of the cost-of-living movement over the past year, should that movement be of a magnitude of 5 per cent or more. Given the present rate of inflation in New York, a movement of 5.7 per cent was already reached by October 1990: this figure may need to be updated to reflect the full cost-of-living movement for the year ending November 1990. The annual compensation of the two full-time members of the Commission and that of the Chairman of the Advisory Committee will increase in January 1991 under the existing adjustment procedure: consequently, this figure may be adjusted further depending on the cost-of-living movement for New York in the month of November 1990.

d/ Increase due to action taken by General Assembly in resolution 44/198 of 21 December 1989 which entered into effect 1 July 1990. Figures reflect class of post adjustment which came into effect for New York in November 1990.

e/ The larger percentage increases shown for the Vice-Chairman of ICSC over those for the two Chairmen and for the Assistant Secretaries-General over the Under-Secretaries-General are due to the fact that the additional allowance for the two Chairmen (\$5,000) and the representation allowance of the Under-Secretaries-General and Assistant Secretaries-General (\$4,000 and \$3,000, respectively) have remained unchanged over the period covered.

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33. As can be seen from the above table, the interim adjustment procedure adopted by the General Assembly in resolution 35/221 has kept the basic compensation of the three officials at roughly the same relationship to the net remuneration of officials at the Under-Secretary-General and Assistant Secretary-General levels as existed in 1975 when ICSC was established (the extent of the differences varying according to the dates of comparison because of the different adjustment mechanisms in effect).

34. The Secretary-General notes that pursuant to General Assembly resolution 44/198 of 21 December 1989, staff in the Professional and higher categories received an increase in salary of approximately 5 per cent effective 1 July 1990; the emoluments of senior officials were adjusted, by extrapolation, by a comparable percentage. The Secretary-General also notes that staff of the Senior Executive Service of the comparator civil service are scheduled to receive an increase in emoluments exceeding 20 per cent as at 1 January 1991; again, it is anticipated that consequential adjustment may be necessary in the emoluments of senior officials of the United Nations.

35. In the light of the aforementioned, the Secretary-General is of the view that it would not be unreasonable for the annual compensation of the three officials to be adjusted upwards by approximately 5 per cent effective 1 January 1991. The amount resulting from the upward adjustment of approximately 5 per cent would yield an annual compensation of \$112,875.

36. In his report to the General Assembly at its thirty-eighth session (A/C.5/38/27), the Secretary-General proposed that the special allowance of \$5,000 payable to the two Chairmen in recognition of their added responsibilities be revised to \$8,000. The suggestion was made on the basis that the allowance had remained fixed since 1975 and that from time to time some adjustments of the special allowance should be made. The Secretary-General also suggested that consideration might be given to providing some form of additional compensation to the Vice-Chairman, in the light of his responsibilities. A special allowance of \$2,000 per year was considered a reasonable amount.

37. In its report 5/ ACABQ recommended raising the special allowance payable to the Chairman of ICSC from \$5,000 to \$8,000 per year. As regards the introduction of a special allowance of \$2,000 to the Vice-Chairman of ICSC, ACABQ was not convinced of the need for such an allowance as it would establish a precedent and accordingly did not recommend approval of this allowance.

38. The General Assembly, in its resolution 40/256, decided to maintain the special allowance of \$5,000 for the Chairman of ICSC and the Chairman of ACABQ.

39. As indicated in paragraph 36 above, the special allowance of \$5,000 payable to the two Chairmen had remained fixed since 1975, i.e., 15 years ago. Bearing in mind that adjustments to the special allowance should be made from time to time, the Secretary-General would deem it reasonable to increase the allowance to \$8,000. This would bring the total remuneration of each of the two Chairmen to \$120,875.

## V. REVIEW OF OTHER CONDITIONS OF SERVICE

40. As indicated above in paragraph 30, the pensionable remuneration of \$120,000 introduced for the three officials upon their entry into UNJSPF on 1 January 1983 was also based on the amounts applicable to the two senior Secretariat levels. The pensionable remuneration amounts applicable in January 1983 were \$132,858 and \$117,891 for an Under-Secretary-General and an Assistant Secretary-General, respectively. The pensionable remuneration currently applicable to an Under-Secretary-General and an Assistant Secretary-General are \$130,560 and \$120,800, respectively. The Secretary-General believes that the amount of pensionable remuneration for the three officials should remain unchanged at this time.

41. In the report submitted to the General Assembly at its thirty-eighth session (A/C.5/38/27), it was noted that:

"After careful review of the developments over the years, it seems obvious that the basic principles enunciated in the past should continue to apply, namely, that the compensation and other conditions of service of the full-time officials other than staff members should continue to be set by the General Assembly and that there should be no direct or automatic link to the salary system applicable to staff of the United Nations common system. At the same time, it is useful to recall the views expressed by the Secretary-General in the comprehensive study undertaken in 1976 on the criteria to be applied to determine the emoluments of the members of the International Court of Justice, namely, that 'the United Nations system forms, in a sense, a structure within which the interrelationship between the top posts has probably more importance than comparison with positions outside the United Nations'. It is for this reason that the long-standing practice has been to take into account the level of remuneration of senior Secretariat officials in determining the appropriate remuneration for members of organs or subsidiary organs of the United Nations appointed by the United Nations to serve in their individual capacity on a full-time basis."

42. With the aforementioned considerations in mind, it was suggested that there was a case for extending to the full-time officials certain provisions generally recognized as appropriate and justifiable, especially as regards persons who serve outside their respective countries. In determining these provisions, special attention should be given to the costs and liabilities in respect of:

- (a) Installation at the duty station;
- (b) Compensation to survivors in the event of death during service.

43. With respect to paragraph 42 (a) above, it was suggested and ACABQ agreed 5/ that the Organization should help defray part of the cost incurred when the full-time official assumes his or her function at the duty station, provided that the individual has not previously resided there while working in another capacity. It was thus proposed to apply installation grant provisions (which involve the

payment of the daily subsistence allowance for a specific number of days) to the full-time officials. In this context, it was also noted that such an installation allowance would not be payable in the case of the current incumbents and would apply to their successors only if they were not residing at the duty station at the time of their appointment.

44. In respect of paragraph 42 (b) above, it was suggested and ACABQ agreed 5/ that it would be desirable to provide some compensation to the survivors in the event of death of full-time officials other than staff members during their service. In this regard it was proposed to pay a lump-sum equivalent to one month of the annual compensation of the official per year of service, subject to a minimum of three months and a maximum of nine months.

45. With regard to the aforementioned, the General Assembly did not take any action thereon at its fortieth session. The Secretary-General believes that it is desirable to resubmit these suggestions in the context of the current comprehensive review.

46. As noted in paragraphs 18, 19, 27 and 28 above, the Secretary-General suggested in his report to the General Assembly at its thirty-eighth session (A/C.5/38/27), that the three officials should be reimbursed for the actual cost of educating their children in respect of each child up to the award of the first recognized degree. The amount of the reimbursement per child per school year was supposed to be subject to a ceiling of \$4,500, the equivalent of the limit applicable to staff in the Professional and higher categories at that time (75 per cent of \$6,000).

47. In its resolution 43/226, of 21 December 1988, the General Assembly, decided to increase the education grant for staff in the Professional and higher categories, up to a maximum per child per school year of \$6,750 (75 per cent of \$9,000). For disabled children, the grant was increased to \$9,000. In the light of this decision, the Secretary-General suggests that the amount of reimbursement for costs of education applicable to the three officials be increased in line with General Assembly resolution 43/226, subject to the same ceiling (i.e., \$6,750), and extending the provisions regarding disabled children to the three officials. The Secretary-General also suggests that provision continue to be made for one related travel per year from the place of scholastic attendance when outside the country of the duty station.

48. The Secretary-General notes that the level of the education grant is now reviewed every two years by ICSC. Such a review is taking place in 1990. Any increase decided by the General Assembly in the level of the grant or changes in the provisions regarding disabled children should be extended to the three officials.

49. With regard to the question of a rental subsidy applicable to the full-time officials, it is recalled that ICSC, at its thirty-second session, in the context of its comprehensive review of the conditions of service of staff in the Professional and higher categories, decided to recommend special provisions relating to the rental subsidy system for Assistant Secretaries-General and

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Under-Secretaries General and equivalent level officials. The maximum amount of rental subsidy paid to these officials will equal 75 per cent of the threshold for the individual official concerned. Should these provisions be endorsed by the General Assembly at its current session, the Secretary-General recommends the same provisions be extended to the full-time officials.

## VI. FINANCIAL IMPLICATIONS

50. In summary, should the General Assembly approve the suggestions outlined in paragraphs 35, 39, 40, 47 and 49 above, it is estimated that additional requirements of \$88,125 would arise in 1991 as follows:

(In United States dollars)

	ICSC Chairman	ICSC Vice- Chairman	ACABQ Chairman	Total
1. <u>Annual compensation:</u> 5 per cent increase over \$107,500 - para. 35	5 375	5 375	5 375	16 125
2. <u>Special allowance:</u> increase from \$5,000 to \$8,000 - para. 39	3 000	N/A	3 000	6 000
3. <u>Increase in pensionable remuneration:</u> none proposed - para. 40	-	-	-	-
4. (a) <u>Reimbursement of education costs:</u> difference between proposed rate (\$6,750) and past rate (\$4,500) x number of children <u>a/</u>	N/A	N/A	N/A	N/A
(b) <u>Related travel costs:</u> para. 47 <u>a/</u>	N/A	N/A	N/A	N/A
5. <u>Rental subsidy:</u> Salary x threshold (26%) x 75% - para. 49	22 000	22 000	22 000	66 000
<u>Total financial implications:</u>	30 375	27 375	30 375	88 125
Distributed as follows:				
<u>Section 1 of the programme budget</u>			30 375	
<u>Section 28H1 of the programme budget</u>	57 750			

a/ No financial implication is estimated at this time as entitlement does not apply in the case of the present incumbents.

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51. Accordingly, should the General Assembly approve the suggestions outlined in the present report, additional appropriations of \$88,125 would be required under the programme budget for the biennium 1990-1991, \$30,375 under section 1 and \$57,750 under section 28.

52. Under the new budget process established by the General Assembly in its resolution 41/213 of 19 December 1986, additional expenditures proposed over and above those in the proposed programme budget should be accommodated within a contingency fund, set at \$15 million for the biennium 1990-1991 by General Assembly resolution 43/214 of 21 December 1988. Paragraph 11 of annex I to General Assembly resolution 41/213, however, provides, that revised estimates "arising from the impact of extraordinary expenses, including those relating to the maintenance of peace and security, as well as fluctuations in rates of exchange and inflation, shall not be covered by the contingency fund and shall continue to be treated in accordance with established procedures and under the relevant provisions of the Financial Regulations and Rules". It is the Secretary-General's view that, should the Assembly approve the suggestions contained in the present report, the additional requirements that would arise clearly relate to inflation and should thus be treated outside the procedure related to the contingency fund.

#### VII. NEXT COMPREHENSIVE REVIEW

53. In accordance with the decisions taken by the General Assembly in paragraph 2 of resolution 35/221 in respect of the periodic review of the compensation and other conditions of service of the Chairman of ACABQ and the full-time members of ICSC, the next comprehensive review by the Assembly will be undertaken at its fiftieth session in 1995.

#### Notes

1/ Official Records of the General Assembly, Twelfth Session, Supplement No. 18 (A/3805), p. 49 (item 41); and *ibid.*, Twelfth Session, Annexes, agenda item 41, document A/3766, para. 6.

2/ See General Assembly resolution 2889 (XXVI) of 22 December 1971.

3/ See sect. VII, para. 4 of General Assembly resolution 33/116 B of 21 December 1978.

4/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 7 (A/33/7 and Add.1-39), document A/33/7/Add.19.

5/ *Ibid.*, Thirty-ninth Session, Supplement No. 7 (A/39/7 and Add.1-16), document A/39/7/Add.1.

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