

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION**

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-FIRST SESSION

SUPPLEMENT No. 30 (A/41/30)



UNITED NATIONS

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION**

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY FIRST SESSION

SUPPLEMENT No. 30 (A/41/30)



UNITED NATIONS

New York, 1986

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

[11 September 1986]

CONTENTS

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
ABBREVIATIONS		vi
LETTER OF TRANSMITTAL		viii
SUMMARY OF RECOMMENDATIONS		ix
SUMMARY OF DECISIONS AND OTHER RECOMMENDATIONS OF THE COMMISSION		x
SUMMARY OF FINANCIAL IMPLICATIONS		xiv
I. ORGANIZATIONAL MATTERS	1 - 11	1
A. Acceptance of the statute	1 - 3	1
B. Membership	4 - 6	1
C. Sessions held by the Commission and questions examined	7 - 8	2
D. Action in relation to resolutions and decisions of the General Assembly at its fortieth session (arising from the eleventh annual report of the Commission)	9 - 10	2
E. Subsidiary body	11	3
II. PENSIONABLE REMUNERATION FOR THE PROFESSIONAL AND HIGHER CATEGORIES	12 - 47	4
III. CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES	48 - 129	16
A. Remuneration of the Professional and higher categories	48 - 114	16
1. Evolution of the margin between the remuneration of the United States federal civil service and that of the United Nations system based on a comparison of net remuneration	48 - 53	16
2. The methodology used for calculating the margin based on net remuneration	54 - 74	17
3. The margin based on a comparison of total compensation	75 - 84	23
4. Establishment of grade equivalencies and comparison of remuneration between the United States federal civil service and the United Nations	85 - 104	25
5. Separation payments	105 - 114	31

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
B. Matters relating to post adjustment	115 - 129	33
Report on the eleventh session of the Advisory Committee on Post Adjustment Questions	115 - 129	33
IV. CONDITIONS OF SERVICE IN THE GENERAL SERVICE AND RELATED CATEGORIES	130 - 140	37
Remuneration of the General Service and related categories: staff assessment	130 - 140	37
V. CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES	141 - 152	39
Mandatory age of separation from service	141 - 152	39
VI. CONDITIONS OF SERVICE IN THE FIELD	153 - 164	42
A. Recent developments	153	42
B. National Professional Officers	154 - 164	42
VII. ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 13 OF ITS STATUTE	165 - 190	45
A. Implementation of job classification of the General Service and related categories in New York	165 - 173	45
B. Development of classification standards for the General Service at Baghdad and Santiago	174 - 176	47
C. Development of classification standards for the General Service in small- and medium-sized field duty stations	180 - 184	48
D. Development of classification standards for the General Service and related categories at Vienna	185 - 190	49
VIII. ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE	191 - 217	51
A. Recruitment policy	191 - 202	51
1. Use of rosters	191 - 196	51
2. Equitable geographical distribution	197 - 203	53
3. Report on progress made since the twenty-second session of the Commission in undertaking special measures for the recruitment of women	204 - 209	54
B. Performance appraisal and recognition of merit	210 - 217	57

CONTENTS (continued)

<u>Chapter</u>	<u>Paragraphs</u>	<u>Page</u>
IX. ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE	218 - 225	60
Implementation/consideration of the Commission's recommendations and decisions	218 - 225	60
<u>Annexes</u>		
I. PROPOSED SCALE OF STAFF ASSESSMENT FOR THE PROFESSIONAL AND HIGHER CATEGORIES		64
II. ILLUSTRATION OF THE APPLICATION OF THE PROCEDURE RECOMMENDED BY THE COMMISSION FOR THE DETERMINATION OF PENSIONABLE REMUNERATION OF UNITED NATIONS OFFICIALS IN GRADES P-1 TO D-2		65
III. PROPOSED SCALE OF PENSIONABLE REMUNERATION FOR THE PROFESSIONAL AND HIGHER CATEGORIES		66
IV. PENSION BENEFITS OF UNITED NATIONS AND UNITED STATES OFFICIALS		67
V. COMPARISONS OF UNITED NATIONS/UNITED STATES PENSION BENEFITS: UNITED NATIONS PENSIONS EXPRESSED AS A PERCENTAGE OF UNITED STATES PENSIONS ..		69
VI. COMPARISON OF GROSS PENSIONS FOR UNITED NATIONS AND UNITED STATES OFFICIALS EXPRESSED AS A PERCENTAGE OF NET REMUNERATION		70
VII. COMPARISON OF PENSIONABLE REMUNERATION AMOUNTS AS AT 1 JANUARY 1987 ..		72
VIII. PENSION BENEFITS OF UNITED NATIONS AND UNITED STATES OFFICIALS USING SCALES OF PENSIONABLE REMUNERATION AS AT 1 JANUARY 1987		73
IX. GROSS PENSIONS AS PERCENTAGES OF NET REMUNERATION FOR UNITED NATIONS OFFICIALS USING THE PROPOSED SCALE OF PENSIONABLE REMUNERATION		75
X. SALARY SCALES FOR THE PROFESSIONAL AND HIGHER CATEGORIES SHOWING ANNUAL GROSS SALARIES AND NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT		76
XI. SEPARATION PAYMENTS (COMMUTATION OF ANNUAL LEAVE, RETIATION GRANT, DEATH GRANT AND TERMINATION INDEMNITIES) GROSS AND NET AMOUNTS - PROFESSIONAL AND HIGHER CATEGORIES		77
XII. COMPARISON OF NET REMUNERATION OF UNITED NATIONS OFFICIALS IN NEW YORK AND UNITED STATES OFFICIALS IN WASHINGTON, D.C., AT STEP 1 OF EACH GRADE		78
XIII. PROPOSED SCALE OF STAFF ASSESSMENT FOR THE GENERAL SERVICE AND RELATED CATEGORIES		79

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Co-ordination
ACPAQ	Advisory Committee on Post Adjustment Questions
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System
CCOG	Common Classification of Occupational Groups
CRG	Classification Review Group
CSRS	United States civil service retirement scheme
EGSL	Extended General Service Level
ESCSA	Economic and Social Council for Western Asia
FAFICS	Federation of Associations of Former International Civil Servants
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Association
GATT	General Agreement on Tariffs and Trade
ICSC	International Civil Service Commission
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ILO	International Labour Organisation
IMO	International Maritime Organization
ITU	International Telecommunication Union
JAC	Joint Advisory Committee
JPO	Junior Professional Officer
NPO	National Professional Officer
OPM	United States Office of Personnel Management
PAI	Post Adjustment Index

RCF	Remuneration Correction Factor
SES	United States Senior Executive Service
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
WAPA	Weighted average of post adjustments index
WHO	World Health Organization
WIPO	World Intellectual Property Organization

LETTER OF TRANSMITTAL

21 August 1986

Sir,

I have the honour to transmit herewith the twelfth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute. It includes information on the implementation of its recommendations and decisions by organizations of the United Nations common system.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

(Signed) Richard M. AKWEI
Chairman of the
International Civil Service Commission

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General of the
United Nations
New York, N.Y.

SUMMARY OF RECOMMENDATIONS THAT CALL FOR DECISIONS BY THE GENERAL
ASSEMBLY OF THE UNITED NATIONS AND THE LEGISLATIVE ORGANS OF THE
OTHER PARTICIPATING ORGANIZATIONS

Paragraph
reference

Professional and higher categories: pensionable remuneration

44

The Commission recommends:

- (a) A margin range of between 110 and 120, with a desirable midpoint of 115, for pensionable remuneration of the Professional and higher categories;
- (b) The methodology for the determination of pensionable remuneration of United Nations officials in grades P-1 through D-3 as outlined in paragraph 29;
- (c) The procedure outlined in paragraph 36 for the determination of pensionable remuneration amount at the Assistant Secretary-General and Under-Secretary-General levels;
- (d) The scales of staff assessment in annex I for implementation with effect from 1 April 1987;
- (e) The scale of pensionable remuneration amounts for the Professional and higher categories in annex III for both benefit and contribution purposes for implementation with effect from 1 April 1987;
- (f) The interim adjustment procedure for adjusting pensionable remuneration amounts between comprehensive reviews, as outlined in paragraphs 39 and 40.

Salary scales

46

The Commission recommends approval of the revised scale of base salaries in annex X, which reflects the staff assessment rates indicated in annex I.

General Service and related categories
Staff assessment

139 and 140

The Commission recommends that the scale of staff assessment found in annex XIII should be approved for implementation with effect from 1 January 1987 and that the recommended scale should be used for the determination of gross salaries at each duty station as of the date of the first revision to the salary scales of staff in the General Service and related categories. The Commission also recommends approval of transitional measures whereby existing gross salaries, and therefore rates of pensionable remuneration, would be maintained if the new rates of staff assessment applied to the revised net salaries were to produce lower gross salaries. The transitional arrangements would remain in effect until existing gross salaries were overtaken as a result of subsequent revisions to the relevant salary scale.

SUMMARY OF DECISIONS AND OTHER RECOMMENDATIONS OF THE COMMISSION

Paragraph
reference

Professional and higher categories

Evolution of the margin between the remuneration of the United States federal civil service and that of the United Nations system

- 53 The General Assembly may wish to take note of the margin level of 120.9 for the period 1 October 1985 to 30 September 1986, calculated on the basis of the margin methodology reported to the Assembly at its fortieth session. Details of the margin calculations are provided in annex XII.

The methodology used for calculating the margin based on net remuneration

- 69 In summary, the Commission wishes to inform the General Assembly that it agreed to the following:
- (a) Grade equivalencies should continue to be established using United Nations common system jobs from the Professional and higher categories and the United States federal civil service jobs in Washington, D.C.;
 - (b) Remuneration comparisons should be carried out on the basis of the net remuneration of the two civil services in New York. As there was no differential between the remuneration of United States federal civil service employees in New York and Washington, D.C., the remuneration amounts for United States federal civil service employees in Washington, D.C. should be used for those in New York;
 - (c) The cost-of-living differential between New York and Washington, D.C. should not be taken into account in margin calculations;
 - (d) Only that part of bonuses and performance awards which forms part of the base pay of the United States federal civil service employees should be taken into account in margin calculations;
 - (e) Average salaries applicable at each grade for staff in the two civil services should be used for net remuneration margin calculations.

73 and 74

In as much as some of the issues pertaining to the current United Nations/United States grade equivalency study, e.g. the effects on average salaries of the differences in the lengths of service on both sides, the use of square root for weighting purposes and the validity check, had not been resolved, the Commission was not in a position at the present time to determine the effects of the use of average salaries on the level of the margin. Upon completion of some of the outstanding issues mentioned above, the Commission will submit its further recommendations, as appropriate, to the General Assembly at its forty-second session.

Paragraph
reference

The margin based on a comparison of total compensation

84

The General Assembly may wish to take note of the margin of 118.8 calculated on the basis of the total compensation comparison methodology previously reported to the Assembly.

Establishment of grade equivalencies and comparison of remuneration between the United States federal civil service and the United Nations

104

The Commission's consideration of this subject to date is indicated in paragraph 104. It intends to review this further at its twenty-fifth session.

Separation payments

47

The General Assembly may wish to take note of the scale of separation payments in annex XI for implementation with effect from 1 April 1987. This reflects the revised rates of staff assessment recommended separately in paragraph 44 (d) and annex I for approval by the Assembly.

105-108

The revised scale of separation payments effective 1 April 1986 was promulgated in accordance with the provisions of General Assembly decision 36/459 of 18 December 1981 and Assembly resolution 39/69 of 13 December 1984.

113 and 114

The adjustment mechanism for calculating separation payments was modified as indicated in paragraphs 113 and 114.

Post adjustment questions

Duty stations with extreme post adjustments

121-123

The Commission decided that pension contributions should henceforth be treated as a separate component of the post adjustment index (PAI). The PAI would thus consist of three elements: the in-area portion, the out-of-area portion and the pension contribution portion. The Commission decided with effect from 1 January 1987 to add to the out-of-area component an amount corresponding to 5 per cent of net base salary, to account for out-of-area non-consumption expenditures. This will lead to an increase in PAIs for duty stations with a very low post adjustment classification and a corresponding decrease at duty stations with a very high post adjustment classification.

<u>Paragraph reference</u>	<u>Separation of the effects of inflation and currency fluctuations in the post adjustment system</u>
--------------------------------	---

125 and 126	The Commission decided to apply a remuneration correction factor (RCF) on an interim basis with effect from 1 September 1986 at the six headquarters locations other than New York, as well as in European countries with fully convertible currencies and in Japan to offset the effects of upward and downward movements of exchange rate fluctuations on take-home pay. ACPAQ was nevertheless requested to continue its study of the issue with a view to the development of a long-term solution.
-------------	--

Duty stations with special measures

129	The Commission decided that at duty stations where special measures for abrupt and substantial devaluation, continuous devaluation and high inflation had been applied but where post devaluation inflation had been lower than anticipated, a part of the benefit provided by the special measures should be eliminated. The reduction in the relevant post adjustment classifications should proceed at the rate of 5 multiplier points per month and be calculated as the lower of: (a) the difference between the notional index and the post adjustment index resulting from a cost-of-living survey, less 5 multiplier points; or (b) the benefit provided under the special measures, less 5 multiplier points. The Commission also decided that two months' notice should be given to the organizations and staff concerned before application of those corrective measures.
-----	--

Conditions of service applicable to both categories
Mandatory age of separation from service

152	The Commission decided to defer further consideration of the mandatory age of separation from service until a more appropriate time.
-----	--

General Service and related categories
Implementation of job classification of the General Service and
related categories in New York

169-173	The Commission's observations on implementation of the job classification exercise are contained in paragraphs 169 to 173.
---------	--

Development of classification standards in small- and medium-sized
duty stations

184	The Commission's decisions are listed in paragraphs 184.
-----	--

Development of classification standards at Vienna

190	The Commission's decisions and recommendations to the Vienna-based organizations are reported in paragraph 190.
-----	---

Paragraph
reference

Recruitment policy:
Use of rosters

- 196 The Commission's recommendations can be found in paragraph 196.
- Report on progress made since the twenty-second session of the
Commission in undertaking special measures for the recruitment of
women
- 209 The Commission's recommendations are reported in paragraph 209.
- Performance appraisal and recognition of merit
- 217 The Commission's decisions are reported in paragraph 217.
- Implementation of the Commission's recommendations and decisions
- 225 The Commission reaffirmed the importance of monitoring the implementation by organizations of its decisions and recommendations. It decided:
- (a) To request its secretariat to conduct a study on the harmonization of staff regulations of the common system;
 - (b) To emphasize to the organizations the need for its representatives to participate in selected meetings of the governing bodies of common system organizations when decisions and recommendations of the Commission are placed before them;
 - (c) To propose to the Director-General of WIPO that he request the Governing Bodies of WIPO to review the question of the effects of currency fluctuations on take-home pay of Professional staff in local currency at their forthcoming session in September 1986 and to invite the Commission to be represented at that session;
 - (d) To request its secretariat to report on implementation by the organizations annually as required by the Statute, drawing the Commission's attention in particular to unresolved issues in personnel policies.

SUMMARY OF FINANCIAL IMPLICATIONS OF THE COMMISSION'S
RECOMMENDATIONS AND DECISIONS FOR THE UNITED NATIONS
AND PARTICIPATING ORGANIZATIONS

Paragraph
reference

Pensionable remuneration for the Professional and higher categories

- 45 Adoption by the General Assembly of the measures and scale of pensionable remuneration recommended by the Commission would result in a reduction of costs of some \$11.83 million per annum for all organizations of the common system and all sources of funds.

Separation payments

- 108 The financial implications of the revision in the scale of separation payments effective 1 April 1986 in accordance with the provisions of General Assembly decision 36/459 and Assembly resolution 39/69 were estimated at some \$1.6 million per annum system-wide.

Post adjustment questions: duty stations with extreme post adjustments

- 123 and 124 The immediate cost to the organizations of this decision was estimated at \$200,000 per annum system-wide, but in the long run, this solution was expected to be cost-neutral.

Separation of the effects of inflation and currency fluctuations in the post adjustment system

- 125-127 The cost to the organizations of applying the remuneration correction factor (RCF) at the June 1986 exchange rate was estimated at \$1.8 million per annum. Should the United States dollar strengthen sufficiently in the future in relation to other currencies, this measure would result in savings for the organizations.

Remuneration of the General Service and related categories: staff assessment

- 138-140 Adoption by the General Assembly of the new scale of staff assessment recommended by the Commission in annex XIII was estimated to lead to a reduction in the contributions of the organizations to the United Nations Joint Staff Pension Fund of approximately \$500,000 per annum. In the short term, owing to the application of transitional measures, the impact would be much less.

The net savings to the organizations of the United Nations common system resulting from the above decisions of the Commission and the adoption of its recommendations were estimated to be in the order of \$8.23 million per annum in the short term and \$10.73 million per annum in the long term.

CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

"The Commission shall perform its function in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ...".

2. During the first six years of the Commission's existence, its statute was accepted by 11 of the organizations, which, together with the United Nations itself, participated in the United Nations common system of salaries and allowances. 1/ Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

3. Since the submission of the Commission's eleventh annual report, 3/ the United Nations Organization for Industrial Development (UNIDO) became a specialized agency, with effect from 1 January 1986, and has informed the Commission that it has also accepted the Commission's statute.

B. Membership

4. The General Assembly, at its fortieth session, appointed six new members and reappointed two other members of the Commission to terms of office commencing on 1 January 1986 (decision 40/322 of 18 December 1985).

5. Consequently, the membership of the Commission for 1986 is as follows:

Mr. Richard M. Akwei (Ghana), Chairman*
Mr. Genichi Akatani (Japan)***
Mr. Amjad Ali (Pakistan)**
Mr. Michel Auchère (France)***
Mrs. Claudia Cooley (United States of America)***
Mrs. Turkia Daddah (Mauritania)*
Mr. Karel Houska (Czechoslovakia)*
Mr. Antônio Fonseca Pimentel (Brazil)***
Mr. André Xavier Pirson (Belgium)*
Mr. Omar Sirry (Egypt)**
Mr. Alexis Stephanou (Greece)***
Mr. Valery Vasilyevich Tsybukov (Union of Soviet Socialist Republics)**
Mr. Carlos S. Vegega (Argentina), Vice-Chairman*
Mr. M. A. Vellodi (India)**

* Term of office expires on 31 December 1986.

** Term of office expires on 31 December 1988.

*** Term of office expires on 31 December 1989.

6. The Commission learned with deep regret of the death, in December 1985, of Chief Michael O. Ani, one of the founding members of the Commission.

C. Sessions held by the Commission and questions examined

7. The Commission held two sessions in 1986: the twenty-third and twenty-fourth, which were held in the Office of the United Nations at Nairobi from 3 to 20 March 1986 and at United Nations Headquarters in New York from 7 to 25 July 1986, respectively.

8. At its twenty-third and twenty-fourth sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are reported on in the present document.

D. Action in relation to resolutions and decisions of the General Assembly at its fortieth session (arising from the eleventh annual report of the Commission)

9. The Commission took action in relation to resolutions and decisions adopted by the General Assembly at its fortieth session, as reported below, in respect of the following matters:

Resolution 40/244 of 18 December 1985

The General Assembly approved a range of 110 to 120, with a desirable mid-point of 115, for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and that of officials in comparable positions in the United States federal civil service (see paras. 48 to 74 below);

Resolution 40/245 of 18 December 1985

Pensionable remuneration for the Professional and higher categories (see paras. 12-47 below);

Resolution 40/258 B of 18 December 1985

Improvement of the status of women in the Secretariat (see paras. 204-209 below);

Decision 40/466 of 18 December, 1985

Job classification of the General Service and related categories in New York (see paras. 165-173 below).

10. The Commission took note of action by the General Assembly in respect of personnel policies, such as after-service health insurance coverage (resolution 40/258 A), other personnel questions, including respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (resolution 40/258 C), amendments to the Staff Regulations of the United Nations (decision 40/467 of 18 December 1985), administrative and

budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency (resolution 40/250 of 18 December 1985), matters relating to the United Nations pension system (resolution 40/245) and the programme budget of the Commission (resolution 40/253 of 18 December 1985).

E. Subsidiary body

11. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976, held its eleventh session at the headquarters of the International Maritime Organization (IMO) from 1 to 9 May 1986. It consisted of the following members: Mr. Carlos S. Vegega (Argentina), Vice-Chairman of the Commission and Chairman of the Committee; Mr. Hugues Picard (France); Mrs. Carmen McFarlane (Jamaica); Mr. Saw Swee Hock (Singapore); Mr. Yuri Ivanov (Union of Soviet Socialist Republics); and Mr. Jeremiah P. Banda (Zambia).

CHAPTER II

PENSIONABLE REMUNERATION FOR THE PROFESSIONAL AND HIGHER CATEGORIES

12. By resolution 40/245, section I, paragraph 2, the General Assembly requested the Commission, in co-operation with the United Nations Joint Staff Pension Board (UNJSPB):

(a) To carry out a comparative study of the levels of pension benefits and the ratios of pensions to salaries under the United Nations pension scheme and that of the comparator country;

(b) To complete its review of the methodology for the determination of pensionable remuneration for the Professional and higher categories, for monitoring the level of pensionable remuneration and for adjustment of pensionable remuneration in between comprehensive reviews, taking into account the margin range established for the net remuneration, the views expressed in the Fifth Committee at the fortieth session, including those concerning the evolution of the levels of pensionable remuneration and pensions in recent years and the different characteristics of the two services, and to submit its recommendations to the Assembly at its forty-first session.

13. In addressing the requests made by the General Assembly outlined above, the Commission considered the documentation prepared by its secretariat at its twenty-third and twenty-fourth sessions. The views of the Pension Board and those of the participants' representatives on the Board were also submitted in documents to the Commission at its twenty-fourth session. At the same time the Commission considered the requests from the Assembly in resolutions 38/233 of 20 October 1983 and 39/246 of 18 December 1984. It will be recalled that in response to Assembly resolution 39/246, the Commission had begun preliminary consideration of pensionable remuneration for the Professional and higher categories in 1985 and that its tentative views concerning the various aspects of the methodology to be used for the determination of pensionable remuneration of those categories of staff were reported to the Assembly in the Commission's eleventh annual report. ^{4/} In that report, the Commission had indicated that it would address the methodological issues and make recommendations concerning the scale of pensionable remuneration for the Professional and higher categories to the Assembly at its forty-first session. The details of the Commission's consideration of this matter since the submission of its eleventh annual report to the Assembly in 1985 are provided below.

Views of the organizations

14. The Chairman of the Consultative Committee on Administrative Questions (CCAQ) stated that the views expressed by the Pension Board provided a sound basis for further refinements of the analysis and alternatives contained in the study prepared by the secretariat of ICSC. He added that, at the end of June 1986, CCAQ had submitted a comprehensive report to the Administrative Committee on Co-ordination (ACC) on the developments concerning pensionable remuneration and pensions. ACC had, by and large, endorsed the approach and positions set out in the report of the Pension Board and placed special emphasis on the issue of acquired rights. The organizations welcomed the general approach of linking pensions to remuneration with the pensions being grossed up using staff assessment. The Chairman of CCAQ added that the scale of pensionable remuneration

eventually recommended should yield income replacement levels comparable to those available to the United States federal civil service employees. The organizations were of the view that the full amount of the net remuneration in New York, rather than 96 or 92 per cent thereof, should be used as the starting point in the methodology and that a margin of between 110 and 120 for net remuneration should be translated into a margin of between 112 and 124 for pensionable remuneration to take into account the taxation factor through the use of staff assessment. As regards the transitional measures, the organizations agreed with the Pension Board that it would be difficult to depart from the measures adopted by the General Assembly in 1985 (supplementary article C of the Pension Fund regulations).

15. The organizations agreed that there was a need to maintain the level of contributions to the Pension Fund and were of the view that, in deciding the pensionable remuneration margin range and the scale of pensionable remuneration, the Commission should, inter alia, take into account: (a) the higher average age of entry into United Nations service, the lower age of statutory separation from service and the resulting shorter average length of service of United Nations officials compared with United States officials; (b) the higher income replacement rates in the United States federal civil service; and (c) the higher maximum accumulation in the United States federal civil service, namely, 80 per cent of the final average remuneration. The Chairman of CCAQ stressed the need for an automatic mechanism for adjusting the pensionable remuneration scale(s) in between periodic reviews.

Views of the staff representatives

16. The General Secretary of the Federation of International Civil Servants' Associations (FICSA) stated that the scale of pensionable remuneration determined the level of pension benefits and constituted, therefore, a major element of the conditions of service of United Nations staff. She noted that at the fortieth session of the General Assembly the main concern expressed by the Fifth Committee related to the high level of pension benefits of high-ranking officials leaving after many years of service. FICSA was of the view that none of the alternatives proposed by the Commission's secretariat seemed to respond to that concern. She stated that the international civil service and the comparator had very different characteristics - later age of recruitment, shorter career, more limited prospects of promotion on the United Nations side than on the United States side - rendering comparisons difficult. Certain conditions more favourable in the case of the United States federal civil service should not be lost sight of and the need to ensure income to the Fund should also be borne in mind. The General Secretary of FICSA also noted that, since the pension system of the United States federal civil service and the tax rates were in a state of flux and uncertainty, now was not the time to submit a new scale of pensionable remuneration. FICSA was of the view that, for the purposes of income replacement, 100 per cent of net remuneration in New York should be used. Income replacement ratios at the end of the maximum, i.e., 35 years of service, should be taken into account and, therefore, 66.25 per cent of the net remuneration in New York should be grossed up as a first step. Noting that the resulting scale did not yield reductions in pension benefits at the highest level, FICSA was of the view that that could be dealt with by applying a ceiling. FICSA reiterated its earlier position that, in order to attract and retain high-calibre personnel, the system must be able, inter alia, to guarantee an acceptable level of pension benefits, in particular, to those who did not join the system early in their career.

17. The Chairman of UNJSPB stated that the Commission and the Pension Board were beginning the third and last stage of the process of reviewing pensionable remuneration of United Nations staff in the Professional and higher categories. He noted that the General Assembly, in its resolution 40/245, had entrusted that difficult task to ICSC to be carried out in co-operation with the Board. The first stage of the process of consultations between the Commission and the Board had taken place at the twenty-third session of the Commission, when the Commission had indicated certain parameters within which the secretariat was to work out alternative scales of pensionable remuneration. The second stage had taken place at the thirty-fifth session of the Board. The Chairman indicated that there was a large measure of agreement between the secretariat's views and the Board's conclusions. In particular, the Board welcomed the general approach of linking pensions to remuneration, i.e., the concept of income replacement at the base of the system, with account being taken of the taxes that beneficiaries would have to pay. It was the Board's view that the scale of pensionable remuneration should satisfy two important criteria, namely that:

(a) It should yield an income replacement level comparable to that of the United States federal civil service employees;

(b) The margin range between the scale and a comparator scale should be acceptable.

As regards criterion (a), the Board had noted that even the current United Nations scale of pensionable remuneration yielded an income replacement level that was lower, on the whole, than the United States level after 20 to 25 years of service, and considerably lower at maximum accumulation. As for criterion (b), the Board was of the view that the margin over the comparator scale should more fully reflect the differences between the United Nations and the United States services than was implicit in the range of 110 to 120, with a desirable mid-point of 115. The Chairman of the Board added that a margin range of 110 to 120 for net remuneration did not translate into a margin of between 110 and 120 after crossing up, using the proposed new scale of staff assessment; the corresponding margin should be between 112 and 124 on an arithmetical basis. For the reasons outlined in the Board's submission to the Commission, a margin for pensionable remuneration on the United Nations side should be of the order of 21 per cent. Any margin below 20 per cent would make it impossible for a United Nations official, however long he worked, to earn a pension equal to that of his United States counterpart at maximum accumulation. The Chairman emphasized that the shorter periods of contributory service for United Nations officials translated into smaller pensions. He referred to the Board's view that the scale of pensionable remuneration to be recommended to the Assembly should be derived from 100 per cent of net remuneration in New York. He drew the Commission's attention to the views of the Board on transitional measures and those on the level of contributions to the Pension Fund.

18. The Chairman of the Pension Board stressed that, after salary, pension was the most important factor determining the ability of the United Nations and other organizations of the common system to recruit and retain the staff of the calibre and geographical distribution called for by Article 101 of the Charter of the United Nations. If the organizations wished to recruit experienced staff, they must have a pension system that would yield fair and equitable retirement benefits after less than the normal national civil service career. If national civil servants calculated that they would end up with a larger pension and better

benefits by serving out full careers in their own national civil service than by transferring to the international civil service in mid-career, they would be unlikely to become candidates for service with the United Nations family of organizations. Lastly, he added that pension benefits of the overwhelming majority of participants in the Professional and higher categories had not been and were not excessive.

Discussion by the Commission

19. The Commission undertook a detailed examination of the requests made by the General Assembly at its thirty-eighth to fortieth sessions concerning the pensionable remuneration of staff in the Professional and higher categories. The Commission also noted the various views expressed in the Fifth Committee in recent years concerning pension benefits of retirees from the United Nations system, the relationship of those benefits to the pension benefits paid to retirees from the comparator civil service and the evolution of pensionable remuneration in the United Nations system in recent years. The Commission was of the view that the concerns of the Assembly would be addressed if a relationship that was acceptable to all parties concerned was established between the pension benefits of retirees from the two civil services. For that purpose, it would be desirable to establish a reasonable relationship between pensionable remuneration amounts of United Nations officials from the Professional and higher categories and that applicable to their counterparts in the comparator civil service.

20. As regards the actual relationship between the pensionable remuneration amounts of officials in the two civil services, the Commission was of the view that it was necessary to maintain a certain margin between the pensionable remuneration scales applicable in the two civil services. The Commission agreed that such a margin was necessary on the United Nations side in view of the differences in the characteristics of the two civil services, e.g. shorter careers and the limited opportunity to rise to the highest level on the United Nations side, and the possibility for United States federal civil service employees to continue to work beyond the age of 60 years until they had achieved a desirable level of pension.

21. As to the level of the margin for pensionable remuneration, the Commission agreed that in the context of pensionable remuneration, the quantification of various factors that could be used as a justification for the margin would be at least as difficult, if not more so, as in the context of the net remuneration margin and decided that it would have to use its judgement in that regard.

22. Some members of the Commission thought that the expatriation factor should not be taken into account in the consideration of a margin on pensions since pensioners were not required to retire outside their home country. Others were of the view that the expatriation factor should be taken into account owing to various adjustment problems involved in returning to the home country.

23. The Commission agreed that, while some or all of the factors taken into account in the net remuneration margin would also be applicable in the context of pensionable remuneration, there might well be a difference in the relative importance of their values. In view of the above, the Commission, by a majority, agreed to recommend a margin range of between 110 and 120 with a desirable mid-point of 115, around which the margin between the United Nations/United States pensionable remuneration amounts should be maintained over a period of time.

24. The Commission noted that the General Assembly had already approved an acceptable relationship between the net remuneration of United Nations officials and that of United States federal civil service employees in comparable grades. It further noted that the goal of establishing a reasonable relationship between the pensionable remuneration amounts in the two civil services could be achieved if the net remuneration of United Nations officials while in service was used as a basis for determining and verifying the desirable level of pension benefits and, consequently, the amounts of pensionable remuneration. In that regard, it considered various alternatives, such as net remuneration in New York, the average of net remuneration applicable at the seven headquarters locations, etc. However, the Commission was of the view that since the comparisons had been made using the net remuneration of United Nations officials in New York, the same net remuneration amounts should be used as the basis for making further calculations for establishing a scale of pensionable remuneration.

25. The Commission noted that the New York/Washington, D.C., cost-of-living differential was implicitly reflected in the net remuneration amounts in New York. In that regard it should be noted that the Commission, by a majority, decided that the cost-of-living differential in New York and Washington, D.C., should not be taken into account in the margin calculations (see paras. 61 to 64 below). It was further noted that the same scale of pensionable remuneration amounts applied to all United Nations officials irrespective of duty station and, therefore, the cost-of-living differential should not be reflected in the amounts of pensionable remuneration. If the net remuneration amounts currently applicable in New York were to be used as the basis for calculating pensionable remuneration, then the New York/Washington, D.C., cost-of-living differential would be reflected in the amounts of pensionable remuneration calculated on the basis of those net remuneration amounts and, therefore, an appropriate adjustment to discount that element should be made. The Commission was of the view that the net remuneration amounts in New York should be adjusted downward by 4 per cent to take that element into account and the resulting amounts corresponding to 96 per cent of the net remuneration in New York should be used as the basis for further calculations.

26. Having agreed to use 96 per cent of the net remuneration amounts applicable in New York as the basis for further calculations, the Commission addressed the question of what part of those net remuneration amounts should be used to make those calculations. The Commission was of the view that it would be most desirable to establish some relationship at the base in New York between net remuneration while in service and pension benefits received upon retirement. As regards the specific relationship between net remuneration amounts while in service and the net pension benefits upon retirement, the Commission considered various possibilities. It noted, on the one hand, that the maximum gross pension benefits under the current benefit accumulation formula amounted to 66.25 per cent of pensionable remuneration and therefore one possibility would be to take 66.25 per cent of net remuneration in New York to make further calculations. On the other hand, the Commission noted that the average length of service applicable to United Nations officials from the Professional and higher categories was closer to 20 and, therefore, 36.25 per cent of the adjusted net remuneration in New York corresponding to 20 years of contributory service could also be used to make further calculations. In between those two extremes the Commission considered the possibilities of using 46.25 and 56.25 per cent of the adjusted net remuneration amounts in New York corresponding to pension benefits earned after 25 and 30 years of service, respectively. The Commission noted that, as very few United Nations officials from the Professional and higher categories retired with 35 years of service, if 66.25 per cent of the adjusted net remuneration amount corresponding to

35 years of service were taken into account in the grossing up process (see para. 28), this would over-compensate most United Nations retirees from the Professional and higher categories for the tax element. On the other hand, although the average length of service was closer to 20, if 36.25 per cent of the net remuneration corresponding to that average length of service were to be taken into account, those United Nations officials with more than 20 years of service would be under-compensated for the tax element. The Commission, therefore, was of the view that it would have to exercise judgement in arriving at a percentage of the adjusted net remuneration amounts in New York to be used for further calculations. The Commission noted that of the 725 United Nations officials from the Professional and higher categories who retired in 1985 some 60 per cent had less than 20 years of contributory service while 26 per cent had between 20 and 30 years of contributory service and 14 per cent had more than 30 years of contributory service. The Commission decided, therefore, that it would be reasonable to take into account 46.25 per cent of the adjusted net remuneration amounts in New York to make further calculations, although some members of the Commission considered this figure very high and others very low.

27. Some members of the Commission noted that many of the proposals made would have a major impact on the actual pensions that would be received by personnel on retirement. In the case of one of those proposals most likely to be acceptable, this would represent a reduction of some 7 per cent. This reduction on top of the 3.5 per cent resulting from the scale suggested by the Commission, and approved by the General Assembly in 1984, would represent total reductions of about 10.5 per cent which might have a negative effect on the ability of the organizations to attract and retain staff, with the consequent effects on the operation of the Noblemaire principle. Other members were of the view that, while some consideration should be given to the impact of pension reduction measures on the recruitment and retention of staff, this should not preclude the Commission from taking necessary and overdue action to bring pension levels in the United Nations into a reasonable relationship with those of the comparator service.

28. The Commission noted that staff in service received remuneration on a net basis and were not normally subject to taxation. If, however, they had to pay income taxes to any country, the taxes levied would be reimbursed to them. On the other hand, pension benefits of retirees from the United Nations system were generally subject to national income taxes applicable in the country of retirement. The Commission, therefore, agreed that 46.25 per cent of the adjusted net remuneration amounts applicable in New York corresponding to net pensions to be earned at the end of 25 years of contributory service should be grossed up to arrive at equivalent gross benefits that could then be used for determining pensionable remuneration amounts. With regard to the actual grossing-up process, the Commission was of the view that the staff assessment scale, after appropriate revisions to reflect the tax rates applicable currently in the seven headquarters countries, should be used. The Commission agreed that the scale of staff assessment for those with dependants as outlined in annex I to the present report should be used for grossing-up purposes.

29. In summary, the above approach, which the Commission agreed to pursue to arrive at the scale of pensionable remuneration for recommendation to the General Assembly, could be translated into the procedure outlined below:

(a) Net remuneration amounts (net base salary, plus post adjustment at the current level of multiplier 43 at the dependency rate) were calculated for the United Nations officials in grades P-1 to D-2 in New York;

(b) 96 per cent of the net remuneration amounts in (a) above were calculated for the reasons explained in paragraph 25 above;

(c) 46.25 per cent of the adjusted net remuneration amounts referred to in (b) above were calculated at all grades and steps;

(d) The amounts in (c) above were grossed up by the reverse application of the scale of staff assessment for those with dependants as shown in annex I. The resulting amounts represent gross pension benefits that would be earned after 25 years of contributory service;

(e) Pensionable remuneration amounts that would produce gross pension benefits in (d) above after 25 years of service were calculated using the formulae below:

- (i) The gross pension benefit after 25 years of service equals pensionable remuneration multiplied by 46.25 divided by 100;
- (ii) Therefore, pensionable remuneration equals the gross pension benefit after 25 years of service multiplied by 100 divided by 46.25.

30. The application of the above procedure is illustrated by way of an example in annex II. That procedure was used for the determination of pensionable remuneration amounts of United Nations officials in grades P-1 through D-2. The resulting amounts of pensionable remuneration are shown in annex III.

31. The Commission invites the General Assembly to note that the procedure it had recommended for the determination of pensionable remuneration for the Professional and higher categories of staff would imply the Assembly's control over two of the most important elements used in the methodology, namely, net remuneration amounts and the rates of staff assessment and, therefore, its control over pensionable remuneration. As in the case of the net remuneration margin, the Commission would monitor the evolution of the margin on pensionable remuneration on a regular basis and report thereon to the Assembly by way of the Commission's annual reports, if the Assembly so desired.

32. Recalling its decision with regard to the margin between the pensionable remuneration scales applicable on both sides as outlined in paragraph 12 above, the Commission decided to proceed with a comparison of the scale of pensionable remuneration provided in annex III with the pensionable remuneration amounts applicable for United States federal civil service employees. It noted that the scale it would recommend to the General Assembly would go into effect on or after 1 April 1987, following its approval by the Assembly. It further noted that on the basis of the latest information on hand, United States federal civil service employees were expected to receive an across-the-board 3 per cent increase in gross salaries with effect from 1 January 1987. The Commission was, therefore, of the view that its proposed scale for the United Nations officials shown in annex III should be compared with the gross salaries for the United States federal civil service employees in effect from 1 January 1987. The results of those comparisons are shown in annex VII and it will be noted that when a comparison was carried out of the pensionable remuneration amounts at the top step of each grade of the scales in effect on or after 1 April 1987 for the two civil services, using the grade equivalencies reported by the Commission to the General Assembly earlier, a weighted average ratio of 118 was obtained. Hence, the scale of pensionable remuneration for United Nations officials in effect from 1 April 1987 would be

18 per cent higher than that applicable as of the same date to United States federal civil service employees in comparable grades. The Commission wished to point out to the Assembly that, while the margin on the basis of the proposed scale would be 118 as of the date of implementation of the new scale, since the interim adjustment procedure (see paras. 39 and 40 below) for adjusting pensionable remuneration of United Nations officials was tied to the movement of net salaries of United Nations officials in New York and as the net remuneration margin currently stood at a level higher than the desirable mid-point of the range when the net remuneration margin was reduced to the desirable mid-point, the pensionable remuneration margin would also move closer to the mid-point of the range for pensionable remuneration.

Pensionable remuneration for the Assistant Secretary-General and Under-Secretary-General levels

33. The Commission next addressed the issue of pensionable remuneration for those in the Assistant Secretary-General (ASG) and Under-Secretary-General (USG) grades. The Commission attempted to establish grade equivalencies between United Nations officials at those grades and United States federal civil service officials. However, for reasons explained in paragraph 94 of the present report, the Commission was unable to establish grade equivalencies at those levels. The Commission, therefore, was of the view that it would have to resort to alternative means to determine pensionable remuneration amounts at those two grades.

34. The Commission first considered the possibility of extrapolating pensionable remuneration amounts for those two grades on the basis of the amount applicable at the top step of D-2. In that regard, it noted that, at the current time, the net remuneration of an ASG was approximately 12.7 per cent higher than that of a D-2, step IV. The difference between the net remuneration amounts of ASG and USG was 9.0 per cent. According to the scale agreed to by the Commission for recommendation to the General Assembly (see annex III), the pensionable remuneration of a D-2, step IV, would be \$88,308; therefore, by straight extrapolation, the pensionable remuneration of an ASG would be \$88,308 multiplied by 1.127 or \$99,523 and that of a USG would be \$99,523 multiplied by 1.09 or \$108,480. The Commission also considered placing a cap on pensionable remuneration amounts, for example, at the level of the pensionable remuneration of a D-2, step IV. The majority, however, was of the view that placing such a cap would adversely affect the pension benefits of the officials at ASG/USG with short careers. In that regard it was noted that, while, in general, United Nations officials had shorter careers than their counterparts working for the United States federal civil service, that phenomenon was more acutely noticeable in the case of officials at the ASG/USG levels because of the nature of the appointments.

35. The Commission next considered the possibility of determining the pensionable remuneration amounts for those two grades by reference to the limits on pension benefits placed by the General Assembly. It noted that the Assembly, by resolution 40/245, had agreed that the benefit payable to a participant at the ASG, USG or equivalent level separating from service on or after 1 April 1986 should not exceed, as at the time of the participant's separation, the greater of:

(a) 60 per cent of his pensionable remuneration on the date of separation; or

(b) The maximum benefit payable under the provisions of article 28 (b) or (c) of the Pension Fund regulations to a participant at the level D-2 (top step for the preceding five years) with 35 years of contributing service, separating from service on the same date as the participant.

36. According to the proposed scale, the pensionable remuneration of a D-2, step IV, would be \$88,308. The maximum pension benefit of a D-2, step IV, (after 35 years of service) would be \$88,308 multiplied by 0.6625 or \$58,504. Hence, one limit on the pensions of ASGs and USGs would be \$58,504. The Commission was of the view that it would be possible to arrive at a pensionable remuneration amount for ASGs/USGs such that the second condition also produced the same figure. In that regard it noted that if the pensionable remuneration amount for both ASGs and USGs were fixed at \$97,507, then 60 per cent of that amount would result in a pension of \$58,504 and hence both conditions laid down by the General Assembly would produce the same result. The Commission was of the view that an amount equal to the pension benefit of a D-2, step IV, with 35 years of service was a reasonable retirement benefit. It therefore agreed that a pensionable remuneration amount of \$97,507 for both ASGs and USGs could be considered to be reasonable.

37. The Commission noted that some of the senior officials of some organizations of the common system served at levels comparable to the ASG and USG level. The Commission further noted that salaries and conditions of employment of those officials were determined by the legislative bodies of their respective organizations by reference to the salaries and conditions of employment of those at grades ASG and USG. The Commission, therefore, was of the view that the legislative bodies of those organizations where senior officials served in ad hoc grades comparable to those of ASG and USG might wish to review the pensionable remuneration amounts for those levels by reference to the Commission's recommendations on the pensionable remuneration amount for those in grades ASG and USG.

Comparisons of pension benefits and the ratios of pensions to salaries

38. It may be noted from paragraph 12 (a) above that the General Assembly also requested the Commission to carry out a comparative study of the levels of pension benefits and the ratios of pensions to salaries under the United Nations pension scheme and that of the comparator country. The Commission carried out those comparisons on the basis of the scales of pensionable remuneration currently in effect. Similar comparisons were also carried out using the scale of pensionable remuneration recommended by the Commission to the Assembly for its approval and that which would be in effect for United States federal civil service employees on or after 1 April 1987. The results of these comparisons are shown in annexes IV to IX to the present report. Explanations of the comparisons carried out are provided as part of these annexes. From annex VII it will be noted that, if the proposed scale of pensionable remuneration is implemented from 1 April 1987, then that scale would be some 18 per cent higher, on an average basis, than the amounts of pensionable remuneration of United States civil service employees in comparable grades as at the same date. At the present time, the pensionable remuneration amounts of United Nations officials are some 30 per cent higher than those of their counterparts from the United States federal civil service.

Interim adjustment procedure

39. The Commission recalled that, in its eleventh annual report, it had indicated that the interim adjustment procedure used for adjusting pensionable remuneration amounts should be compatible with the procedure used for determining those amounts as at the base date. It will be noted that the methodology the Commission decided to pursue to arrive at the scale of pensionable remuneration established a certain relationship between net remuneration of United Nations officials in New York and their pension benefits. A reasonable relationship between pensionable remuneration

amounts for the officials of the two services within the limits of the range for the pensionable remuneration margin, as defined by the Commission in paragraph 23 above, was also established as at the base date. It therefore stood to reason that the interim adjustment procedure used for adjusting pensionable remuneration amounts between comprehensive reviews should maintain, grosso modo, the above-mentioned relationships for at least a reasonable period of time, for example, five to 10 years until the next comprehensive review. If the relationships established by the Commission were acceptable to the General Assembly and if those relationships were maintained, at least for the foreseeable future, it would obviate the need for the Member States to express concern from time to time regarding the levels of pensionable remuneration for the Professional and higher category staff and consequently for frequent reviews. Bearing this in mind, the Commission proposed the following interim adjustment procedure for the Assembly's approval.

40. The scale of pensionable remuneration amounts in annex III, if approved by the General Assembly, would become effective as at 1 April 1987. Beginning as of the base date of 1 April 1987, that scale of pensionable remuneration should be adjusted on the same date as the net remuneration of United Nations officials from the Professional and higher categories in New York was adjusted. It was noted that remuneration was adjusted on a net basis while pensionable remuneration was determined and must, therefore, be adjusted on a gross basis. By a comparison of the movements of net and gross remuneration amounts, it was determined that every 5 per cent movement of the scale of pensionable remuneration would require a 4.1 per cent adjustment of the net remuneration amounts in New York.

41. The General Assembly might wish to note that, in view of the margin range consideration, net remuneration of United Nations officials would move in lock-step with the movements of remuneration of United States federal civil service employees. If the above interim adjustment procedure were to be approved by the Assembly, not only would the relationship between the net remuneration of United Nations officials in New York and their pension benefits upon retirement established as at the base date be maintained over a period of time but, grosso modo, the relationship between the pensionable remuneration amounts for officials of the two civil services would also be maintained at the desirable level over a period of time.

Transitional measures

42. It will be recalled that the Commission, in its tenth annual report, had recommended to the General Assembly transitional measures along with the scale of pensionable remuneration that went into effect as at 1 January 1985. 5/ The Assembly, however, decided to consider the issue of transitional measures in the context of pension benefits rather than that of pensionable remuneration. It therefore requested the Pension Board to submit recommendations with regard to transitional measures for those whose pensionable remuneration amounts had experienced reductions as a result of the implementation of the scale recommended by the Commission. Recommendations of the Pension Board were approved by the Assembly at its fortieth session as supplementary article C to the Regulations of the United Nations Joint Staff Pension Fund. The proposed scale of pensionable remuneration in annex III would result in pensionable remuneration amounts that would be lower by varying percentages at different grades than the scale currently in effect. In view of that, the Assembly may wish to consider transitional measures in the light of the decisions it had taken at its fortieth session.

Impact of the proposed scale for the Pension Fund

43. The Commission wishes to bring to the attention of the General Assembly the fact that its consideration of pensionable remuneration related exclusively to pensionable remuneration for benefit purposes and the resulting pension benefits. However, the purpose of a pensionable remuneration scale was twofold. First, it determined the level of pension benefits, which must be adequate and reasonable, provided to retirees upon separation. Second, it determined the level of income for the Pension Fund. In a fully funded system, such as that of the United Nations, both aspects of the scales of pensionable remuneration were important. In view of the mandate from the Assembly for an examination of pensionable remuneration of United Nations officials by comparison of pension benefits of the officials from the two civil services, the Commission restricted itself to a study of benefits and, consequently, the scale recommended by the Commission in annex III should be viewed from the point of view of its relationship to resulting pension benefits. On the basis of the preliminary information provided by the Secretary of the Pension Board, however, the Commission noted that the actuarial impact for the Pension Fund of the implementation of the proposed scale would be to increase the actuarial imbalance by between 0.17 and 0.24 per cent of pensionable remuneration, depending on the assumptions for growth in the number of active participants. In view of this, the Commission was of the view that, at least for the time being, the scale in annex III should be used for both contribution and benefit purposes and that the situation should be monitored on a continuous basis.

Recommendations of the Commission

44. The Commission recommended to the General Assembly that it should approve:

(a) The range for the pensionable remuneration margin as set forth in paragraph 23 above;

(b) The methodology for the determination of pensionable remuneration of United Nations officials in grades P-1 through D-2, as outlined in paragraph 29 above;

(c) The procedure outlined in paragraph 36 above for the determination of pensionable remuneration amounts at the ASG and USG levels;

(d) The scales of staff assessment contained in annex I for implementation with effect from 1 April 1987;

(e) The scale of pensionable remuneration amounts for the Professional and higher categories, contained in annex II, for both benefit and contribution purposes for implementation with effect from 1 April 1987;

(f) The interim adjustment procedure for adjusting pensionable remuneration amounts between comprehensive reviews, as outlined in paragraphs 39 and 40 above.

45. The General Assembly might wish to note that, if the scale of pensionable remuneration recommended by the Commission were approved, this would represent a reduction in costs of some \$11.83 million per annum for all organizations and all sources of funds.

46. In view of the revised scale of staff assessment contained in annex I, the scale of base salaries (gross and net after the application of staff assessment rates at the single rate) must be revised. The revised scale is provided in annex X and it is recommended that the General Assembly approve it for implementation with effect from 1 April 1987.

47. In view of the changes in the rates of staff assessment, the scale of separation payment amounts (gross and net after the application of staff assessment) used for the determination of terminal benefits must also be revised. Failure to do so would mean windfall gains in separation payments for those leaving the system after 1 April 1987. The revised scale of separation payment amounts (gross and net after the application of staff assessment) is provided in annex XI. It is recommended that the General Assembly note the scale contained in annex XI for implementation with effect from 1 April 1987. Further adjustments to the scales of separation payments would be made on the basis of the movements of WAPA from 1 January 1986 (see paras. 113 and 114 below) and the scale of separation payment amounts in effect on 1 April 1987.

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Remuneration of the Professional and higher categories1. Evolution of the margin between the remuneration of the United States federal civil service and that of the United Nations system based on a comparison of net remuneration

48. The Commission, in accordance with a request from the General Assembly, has continued to keep under review the relationship between the levels of remuneration of the United Nations and the comparator, the United States federal civil service. In its eleventh annual report, the Commission provided a description of the methodology used for calculating the margin based on net remuneration. 6/ By Assembly resolution 40/244, the Commission was requested to develop further the methodology for calculating the margin based on net remuneration (for details, see paras. 54 to 74 of the present report). The following paragraphs deal with the results of net remuneration margin calculations based on the methodology reported by the Commission in its eleventh annual report.

49. The comparison was based on the net remuneration of officials of the two civil services with dependent spouses and no children, and between the headquarters of the two systems, namely, New York for the United Nations common system, and Washington, D.C. for the United States federal civil service. Differences in the cost of living between New York and Washington, D.C. were taken into account. Grade equivalencies, as approved by the General Assembly in its resolution 34/165 of 17 December 1979, were used. Details regarding the new grade equivalency study are provided in paragraphs 85 to 104 below.

Views of the organizations

50. The Chairman of CCAQ said that the organizations took note of the net remuneration margin based on the traditional methodology. He proposed that the reference period for the calculation of the margin be changed from October/September to the calendar year, since, in recent years, United States federal civil service salary increases had been granted in January rather than in October. He noted that, although the comparison of levels of net remuneration was related to a 12-month period, the cost-of-living differential used in the calculations was based on data for the latest month available. In view of the monthly fluctuations in cost-of-living indexes, he was of the opinion that the cost-of-living differential should be based on data averaged over the same 12-month reference period of the margin. He restated the position of CCAQ that average remuneration at each of the comparable grades should be used in future calculations.

Views of the staff representatives

51. The President of FICSA took note of the margin and emphasized the importance of refining the methodology for calculating the margin in view of the fact that a range for the margin now existed.

52. The Convenor of CCISUA took note of the margin and expressed support for the proposal of CCAQ for changing the reference period for the margin.

Discussion and decisions of the Commission

53. The Commission took note of the margin level of 120.9 for the period 1 October 1985 to 30 September 1986 calculated on the basis of the margin methodology reported to the General Assembly at its fortieth session. Details of the margin calculations on the basis of the existing methodology are provided in annex XII to the present report.

2. The methodology used for calculating the margin based on net remuneration

54. In its eleventh annual report, the Commission provided to the General Assembly a detailed description of the methodology used for the determination of the margin based on a comparison of net remuneration of United Nations officials from the Professional and higher categories with that of United States federal civil service employees in comparable grades. 6/ By its resolution 40/244, the Assembly requested the Commission "to develop further the methodology for calculating the margin based on net remuneration, taking into account the views expressed [in the Fifth Committee] at the current session, and to study the possibility of calculating the margin ... based on a comparison of net remuneration for both services in New York and to report thereon to the Assembly at its forty-first session". At its twenty-fourth session, the Commission considered the Assembly's request together with other aspects of the net remuneration margin calculation methodology, such as the use of cost-of-living differential between New York and Washington, D.C., the inclusion of bonuses and performance awards granted to those in the United States Senior Executive Service (SES) and the use of average salaries applicable on both sides.

Views of the organizations

55. The Chairman of CCAQ noted that the main principle of the United Nations system was equivalency of purchasing power among all duty stations and the base, New York. In the comparator country, the principle was that of equal pay in the continental United States with some positive adjustments in the case of federal civil servants who were posted outside the continental United States. Regarding the comparison on the basis of net remuneration of the two civil services in New York, CCAQ noted that the number of civil servants employed in the base city, New York, in the case of the United Nations, and Washington, D.C., in the case of the federal civil service, justified that reference be made to those two cities. Since frequency of comparable jobs in the United States federal civil service was considerably less than that in Washington, D.C., it was doubtful that a valid equivalency study could be based on the limited sample. There appeared, moreover, to be a difference between the United States federal civil service jobs in New York and those in Washington, D.C. In view of those difficulties, the organizations were of the view that the salary levels should be compared at the base of each system, namely, New York for the United Nations and Washington, D.C., for the United States federal civil service, with due account being taken of the difference in the cost of living between these two cities. That would result in a meaningful comparison and reflect the principle of equalization of purchasing power, which was an inherent part of the United Nations salary system. The organizations were also of the view that the inclusion of bonuses and performance awards to United States federal civil service employees was the most appropriate manner of reflecting the total remuneration of United States federal civil service employees. In supporting the use of average salaries in the margin calculations, the Chairman noted that

average remuneration was used by the comparator in its own comparability studies. The use of average remuneration would also extend coverage to all staff and overcome the problems posed by the merit pay system.

Views of the staff representatives

56. The President of FICSA stressed the need for a precise margin calculation carried out in an objective manner in view of the approved margin range. She noted that, since the inception of the Commission's work in 1975, the margin calculations had taken into account the difference in the cost of living between New York and Washington, D.C., which was a reflection of the principle of equalization of purchasing power in the United Nations salary system. FICSA supported the inclusion of bonuses and performance awards granted to the United States Senior Executive Service (SES), since they were a part of the remuneration package received by those officials. The President of FICSA reiterated the Federation's earlier proposal that average remuneration for each grade be used, noting that that was the widely accepted practice in compensation comparisons. FICSA proposed that the Commission change the current reference period to the calendar year.

57. The Convenor of CCISUA noted the serious technical weakness that would be inherent in any margin comparison based in New York for both civil services. In connection with the United States federal civil service practice of paying the same salaries throughout the continental United States irrespective of differences in the cost of living, he observed that, as an incentive to attract staff to high-cost areas, promotions were offered which resulted in grade creep. Rent subsidies were also being paid in some cases to federal civil servants in New York. He reiterated his organization's strong opposition to the elimination of the cost-of-living differential between New York and Washington, D.C. in the margin calculations. He stated that it should be recognized that the comparison was being made between two different systems, one a national civil service and the other an international civil service, and that a balance must be struck between carrying out the spirit of the Noblemaire principle and making the United Nations system merely an extension of the comparator civil service. CCISUA was in favour of the inclusion of the bonuses and merit pay in the calculations as a necessary part of the remuneration package and strongly supported the use of average salaries in margin comparisons.

Discussion and decisions of the Commission

(a) Establishment of grade equivalencies

58. With a view to establishing grade equivalencies between United Nations officials and United States federal civil service employees in New York, the Commission considered a report submitted by the Secretariat, noting that as at 31 March 1985 there were some 32,330 United States federal civil service employees in New York. That figure, however, included positions that were not relevant for the purpose of establishing United Nations/United States grade equivalencies, for example, clerical, technical, manual workers and a variety of other jobs that could not be considered comparable in the context of equivalent positions in the Professional category of the United Nations common system. It also included jobs that were professional in nature but not relevant in the context of United Nations/United States comparison, for example, internal revenue agents, cemetery administrators, etc. With the exclusion of those United States federal civil service jobs which were considered not relevant, it was noted that the jobs relevant for comparison purposes would total 5,695, excluding SES positions. SES positions, currently compared with P-5, D-1 and D-2 levels in the United Nations

common system were filled by 3,673 incumbents in Washington, D.C. and 63 in New York.

59. In the current equivalency study, the total number of incumbents in jobs in Washington, D.C. was 57,662, while the equivalent figure in New York would be 2,416 if the equivalency study were conducted in that city. The Commission also analysed relevant United States federal civil service jobs in New York and Washington, D.C. and noted that some of the jobs that were important for the United Nations organizations would not be represented or would have very little representation if equivalencies were to be established in New York. On the other hand, other jobs that were less important to the United Nations family of organizations would have a greater representation on the basis of the United States federal civil service jobs in New York. The Commission also analysed the United States federal civil service in New York and Washington, D.C. by relevant pay systems and noted that, except for the General Schedule and doctors in the Veterans Administration, the other pay systems showed a significantly smaller proportion of staff in those systems in New York. Some of the pay systems that were important in so far as remuneration comparisons were concerned had only from 2 to 5 per cent of staff in New York in relation to that in Washington, D.C.

60. As regards United States federal civil service jobs in New York and Washington, D.C. by relevant grades, the Commission noted that, proportionately, the United States employed more staff at the lower grade levels in New York and more staff at the higher grade levels in Washington, D.C., the only exception being level GS-15, which had proportionately more staff in New York. The Commission concluded therefore that establishing grade equivalencies between the United Nations common system and United States federal civil service employees in New York would create technical and administrative difficulties. The Commission, therefore, decided that grade equivalencies between the United Nations common system jobs and those of the federal civil service of the United States in Washington, D.C. should continue to be established.

(b) Cost-of-living differential factor: New York/Washington, D.C.

61. In focusing its attention on the cost-of-living differential factor between New York and Washington, D.C. in the margin calculation, the Commission recalled that, in its second annual report, "the majority of the members of the Commission concluded that the comparison between United States civil service remuneration and that of the United Nations system should be made between the headquarters of the two systems, that is, Washington on the one hand and New York on the other, the difference in cost of living between the two cities (as shown by the United Nations post adjustment index) being taken into account". 7/

62. The majority of the Commission considered that, since there was no differential between the remuneration of United States federal civil service employees in New York and Washington, D.C., the remuneration amounts for United States federal civil service employees in Washington, D.C. could also be used for United States federal civil service employees in New York. The Commission, by majority, further agreed that the cost-of-living differential between New York and Washington, D.C. should not be taken into account in the margin calculations. The majority emphasized that the whole purpose of the margin calculation was to determine the difference in net remuneration between the comparator service and the United Nations. Since pay in the comparator did not vary from one location to another, except in Alaska, Guam, Hawaii, Puerto Rico and the United States Virgin Islands, reducing the margin by the cost-of-living differential between New York

and Washington, D.C. distorted the actual relationship between remuneration of the comparator and the United Nations. Therefore, to effect a technically valid remuneration comparison, the cost-of-living differential must be excluded in the margin calculation.

63. Other members of the Commission were of the view that, if the cost-of-living differential factor between New York and Washington, D.C. were not taken into account, the margin comparisons would be misleading. These members considered that the comparison of the remuneration of the two civil services should be carried out on the basis of real remuneration, not the nominal amounts, and if such a comparison on the basis of real remuneration were to be carried out the cost-of-living differential between Washington, D.C. and New York must be taken into account in the margin calculations, particularly since the grade equivalencies were being established in Washington, D.C. for the United States and in New York for the United Nations.

64. The same members were of the opinion that that procedure was justified by the technical reasons of representativity, uniformity and homogeneity. Only the headquarters were fully representative of any civil service; the adopted criteria should be applicable to whatever country was the comparator, not only the United States; and the headquarters (base city) of the United Nations should be compared also with the headquarters base cities of the comparators. Recognized statistical procedures also made it necessary to maintain the comparison of real remuneration between Washington, D.C. and New York, including the cost-of-living differential. Further, when the Commission had decided to recommend to the General Assembly a margin of 110 to 120, with a desirable mid-point of 115, it had done so on the basis of the historical evolution of the Noblemaire principle, which had always taken into account the difference in the cost of living between Washington, D.C. and New York. If that cost-of-living difference were to be removed now, then the range would have to be changed. Moreover, in order to be consistent with the above decision, the post adjustment in New York and Washington, D.C. would have to be the same. That would, however, be inconsistent with the basic principle of the post adjustment system, i.e. that of equalization of purchasing power. On the other hand, if a differentiation were to be made in the post adjustments of the two duty stations, then that would be inconsistent with the decision to remove the cost-of-living differential from margin calculations.

(c) Inclusion of bonuses and performance awards granted to SES officials in the margin calculation

65. The civil service reform act of 1978, as amended by the United States Congress in 1980, permitted performance awards to be calculated separately for each United States government agency. A pool of bonus funds was authorized, the total amount of which was not to exceed either 3 per cent of the aggregate amount of base pay for career executives (SES) or 15 per cent of the average rates of base pay for the same group. An award for an individual executive must be at least 5 per cent, but no more than 20 per cent of salary. Also, SES executive officials were eligible to receive the rank of "Meritorious Executive" with a special award of \$10,000, or the rank of "Distinguished Executive", with a special award of \$20,000. The "Distinguished Executive" award was limited to a maximum of 1 per cent of career executives while the "Meritorious Executive" award limit was 4 per cent. An individual could not receive a "Distinguished Executive" award more than once in a five-year period. These bonuses and awards were not included in the base pay of recipients. These bonuses and performance awards had been taken into account in the margin calculations to date and were reported in the Commission's fifth annual report.

66. The Commission noted that bonuses had been paid to some 33 per cent of the total number of career SES staff. Performance awards had been paid to approximately 2 per cent of the total SES staff. The Commission, by majority, was of the view that bonuses and performance awards were paid for excellence in performance and that those awards did not form a part of base pay. The same members were of the view that only that part of bonuses and performance awards forming part of the base pay as defined by the Government of the United States should be taken into account in the calculation of the margin. One member was of the view that only bonuses paid to a substantial percentage of staff should be taken into account, and that such a percentage was to be agreed upon by the Commission.

(d) Margin comparison based on average remuneration for each grade

67. Since 1976, the margin calculations reported by the Commission to the General Assembly had been carried out on the basis of remuneration at step 1 on both sides. In its second annual report, the Commission had provided details of its consideration of that issue and had expressed the view that, once grade equivalencies were established, it could be assumed that staff members in comparable grades in both services not only performed work of a comparable level but also reached comparable points in their respective careers. On the basis of that consideration, the use of step 1 for the purposes of margin calculation was considered appropriate. The above decision, however, had been taken before the United States federal civil service introduced the merit pay system and also before the special rates programme became more widely applicable. With the introduction of the merit pay system, which had no steps but only a range of salaries within which merit increments were granted, comparable points in the respective United Nations and the United States careers could no longer be measured in terms of steps. By restricting the comparison to step 1 of each grade, the data on actual salaries for each matching grade were based on a limited number of staff in both civil services.

68. The Commission noted that, under the merit pay plan, nine within-grade increases at each grade level were replaced by annual increases based on its merit pay "pool". That plan currently covered about 120,000 supervisors and managers in grades 13-15 of the General Schedule, about 50 per cent of whom were in the Washington, D.C. area. Only 358 employees covered by the merit pay plan were at step 1 of their respective grades. The implications for the accuracy of the margin comparison of ignoring actual salaries paid to such a large body of staff in the Washington, D.C. area were obvious. Consequently, only a comparison based on average net remuneration for each grade could properly reflect actual salaries paid in the United States federal civil service. The Commission further noted that it was a widely accepted practice in compensation comparison studies to use average salary data. In view of the above considerations, the Commission decided that average salaries applicable at each grade for staff in the two civil services should be used for net remuneration margin calculations.

69. In summary, the Commission wished to inform the General Assembly that it agreed to the following:

(a) Grade equivalencies should continue to be established using United Nations common system jobs from the Professional and higher categories and the United States federal civil service jobs in Washington, D.C.;

(b) Remuneration comparisons should be carried out on the basis of the net remuneration of the two civil services in New York. As there was no differential between the remuneration of United States federal civil service employees in New York and Washington, D.C., the remuneration amounts for United States federal civil service employees in Washington, D.C. should be used for those in New York;

(c) The cost-of-living differential between New York and Washington, D.C. should not be taken into account in margin calculations;

(d) Only that part of bonuses and performance awards which formed part of the base pay of the United States federal civil service employees should be taken into account in margin calculations;

(e) Average salaries applicable at each grade for staff in the two civil services should be used for net remuneration margin calculations (see para. 73 below).

(e) Relationship of the changes in the margin calculation methodology to the level of the margin

70. In its eleventh annual report, in response to a request of the General Assembly, "... the Commission decided to recommend to the General Assembly a range of 110 to 120 of the net remuneration margin, and considered that the mid-point of around 115 would constitute a desirable level around which the net remuneration margin should be maintained over a period of time". 8/ At the same time, the Commission had also "... decided to bring to the attention of the General Assembly that the above recommendation, with regard to the desirable level and the range for the net remuneration margin, related to the current methodology used for margin calculations". 9/ A concise description of that methodology was provided in annex I to the Commission's eleventh annual report. The Commission noted that the decisions made at its twenty-fourth session would result in significant changes in the margin calculation methodology, the level of the margin and the margin range itself.

71. The margin figures reported by the Commission to the General Assembly for the period 1976-1985 formed the basis of the Commission's recommendations to the Assembly in 1985 concerning the desirable range for the net remuneration margin. As the Assembly had noted earlier, the cost-of-living differential between New York and Washington, D.C. had been taken into account in the margin figures reported to the Assembly during the period 1976-1985. It will be further recalled that the margin, including the cost-of-living differential, ranged from 109.3 to 121.3 and that the average for the period was 115.8. This average was used as the mid-point of the range and, allowing for approximately one class of post adjustment in either direction, a range of 110-120 was arrived at and recommended to the Assembly. If the cost-of-living differential had not been taken into account, the margin would have ranged from 118.8 to 127.6 for the same period and the average for the period 1976-1985 would have been 123.7.

72. If the bonuses and performance awards paid to United States officials in the SES had not been taken into account, the average margin excluding the cost-of-living differential and bonuses and performance awards would have been slightly higher.

73. The above-mentioned margin calculations were not based on average salaries but on step 1. The Commission noted that the use of average salaries would have

resulted in reducing the levels of the margin; however, data were not available to quantify the exact reductions for the prior period. Inasmuch as some of the issues pertaining to the current United Nations/United States grade equivalency study, for example, the effects on average salaries of the differences in the lengths of service on both sides, the use of square root for weighting purposes and the validity check, had not been resolved, the Commission was not in a position at the present time to determine the effects of the use of average salaries on the level of the margin. As indicated in paragraph 104 below, the Commission intends to revert to these outstanding issues at its twenty-fifth session to be held in March 1987. At that time, it will also consider the question of the impact of the latter element on the margin levels.

74. Upon completion of some of the outstanding issues mentioned above, the Commission will submit its further recommendations, as appropriate, to the General Assembly at its forty-second session.

3. The margin based on a comparison of total compensation

75. The Commission considered the document submitted by its secretariat that dealt with a comparison of total compensation based on non-expatriate elements of remuneration applicable to United Nations staff from the Professional and higher categories and to the United States federal civil service employees in comparable positions. A number of previous decisions of the Commission with respect to various aspects of total compensation comparisons were recalled in the document. On the basis of the decisions taken by the Commission to date concerning the total compensation comparison methodology and using the cost-of-living differential between Washington, D.C. and New York as at May 1986, a margin figure of 118.8, calculated on the basis of non-expatriate elements of remuneration applicable on both sides, was reported.

Views of the organizations

76. The Chairman of OCAQ expressed the view that the procedure used for taking into account the Washington, D.C./New York cost-of-living differential in the determination of the total compensation margin should be reviewed, inter alia, by carrying out the calculation on the basis of average remuneration at each grade. He noted that the United States civil service retirement scheme (CSRS) for federal civil service employees was currently under review and that a revised CSRS was soon to go into effect. The organizations, therefore, proposed that the Commission should revert to that issue once all details of the new CSRS became available.

Views of the staff representatives

77. The representative of FICSA expressed appreciation to the Commission for continuing the comparison based on total compensation, despite certain difficulties that had arisen, in particular with regard to pension benefits on the United States side. The Federation nevertheless continued to oppose the Commission's decision to eliminate the difference in career length from the comparison that had been included in its previous findings. Reference was made to the FICSA proposals concerning the methodology for the calculation of the margin based on net remuneration, which should also be taken into account in the total compensation comparison (i.e., use of average salaries instead of step 1 and change of the reference period to coincide with the calendar year). FICSA also recalled that it had consistently advocated the use of total compensation as the most appropriate

method for measuring the margin. A precise method had become even more relevant owing to the increasing concern of certain Member States about maintaining relativities between the United States federal civil service and the United Nations common system.

78. The Convenor of CCISUA noted that it was difficult at the current stage to draw any conclusions from the results of the total compensation comparison before the Commission inasmuch as the new CSRS applicable to United States federal civil service employees had not been taken into account. He urged the Commission to reconsider its decision to exclude from the comparison consideration the difference in career lengths between the two services, and expressed the view that average remuneration amounts applicable on both sides should be used in future comparisons. The Convenor of CCISUA was of the view that the only valid comparison was that which was made on the basis of all elements of remuneration applicable on both sides.

Discussion by the Commission

79. Some members of the Commission reaffirmed the technical validity and superior merit of the concept of total compensation comparison over net remuneration comparison. Accordingly, they supported the previous decisions made by the Commission since 1976, reported to and endorsed by the General Assembly, recommending that method of comparing the remuneration and benefits of the United Nations and the United States civil service. They agreed with the procedure, adopted by the Commission in 1980, to carry out that total compensation comparison in two phases, first, on the basis of non-expatriate benefits, and second, on the basis of including expatriate benefits, on both sides. They noted that the Assembly had authorized the first phase, but had not provided funds for the second phase. Hence, they were of the view that the Commission, having recommended total compensation comparison to the Assembly so often in the past, would damage its own credibility and competence if it were to recommend its abandonment now, without any overwhelming technical reasons.

80. Other members of the Commission expressed doubts concerning the usefulness of comparisons made on the basis of total compensation. These members were of the view that total compensation comparisons required a tremendous amount of effort and resources, while the usefulness of the results produced was limited at best. One of the members pointed out that, if the results of a total compensation comparison indicated that an adjustment was called for, it would be difficult to decide which element should be adjusted and how it should be made. In view of this, the continued use of the total compensation comparison methodology to compare remuneration packages, including elements other than net base salaries, should be re-examined at the earliest opportunity.

81. The members mentioned in the foregoing paragraph, as well as other members, were of the view that, should the Commission decide to continue with the comparisons of total compensation, the procedures used for the quantification of certain elements, for example, hours of work and annual leave, as well as the use of the New York/Washington, D.C. cost-of-living differential in the determination of the total compensation comparison margin, should be studied in greater detail.

82. The Commission recalled that, in its eleventh annual report, it had reviewed differences in annual leave in the context of total compensation comparisons. At that time, it reported that: "With regard to calculations relating to sick leave, holidays, annual leave and the differences in hours of work, the Commission's prior

consideration of those matters remained valid". 10/ Accordingly, it decided to report the total compensation margin without taking into account the difference in annual leave. Under an alternative calculation of annual leave, however, the Commission provided the General Assembly with an estimate of the effect of annual leave differences on the margin. If such an alternative calculation were again made, and if an additional holiday granted on the United States side since 1985 were taken into account, the margin would stand at 120.6.

Decisions of the Commission

83. The ICSC secretariat was requested by the Commission to prepare a document for its twenty-fifth session which would enable it to undertake a comprehensive review of the usefulness of total compensation comparisons. If, on the basis of that review, it should decide to continue to make comparisons on the basis of total compensation, then it would be most useful to re-examine the procedures for the quantification of all elements, and specifically those referred to in paragraph 82 above. The secretariat was therefore also requested to provide a brief summary of the quantification procedures in the document to be submitted to the Commission at its twenty-fifth session.

84. In the meantime, the Commission decided to request the General Assembly to take note of the margin of 118.8 calculated on the basis of the total compensation comparison methodology previously reported to the Assembly.

4. Establishment of grade equivalencies and comparison of remuneration between the United States federal civil service and the United Nations

85. The Commission had before it a document and a note prepared by its secretariat reporting on the results of the current grade equivalency study and remuneration comparison between officials of the United States federal civil service and the United Nations common system.

Views of the organizations

86. The Chairman of CCAQ considered that the sample chosen by the secretariat was usable for the purpose of analysis, provided that the positions on the United States side were in the Washington, D.C. area. United States Government positions that were received but not requested for the sample should be excluded, although a more detailed study might be needed before a final decision was taken. Since the group of interpreters and translators was the third most highly populated group in the United Nations system, CCAQ believed it should be included in the comparison. Unfortunately, statistical problems had made this difficult. CCAQ considered that anomalous grading results should be excluded from the analysis in accordance with normal statistical practice. As had been done in previous studies, grading results for each United Nations level representing less than 5 per cent of the total number of positions and single gradings equivalent to a particular United Nations grade should be eliminated. In view of the data presented by the secretariat, CCAQ did not deem it appropriate to include the job of representation, co-ordination and liaison specialists. With regard to the inclusion or exclusion of the United States GS-7 level, CCAQ felt strongly that the group should be excluded since approximately 88 per cent of staff at that level was composed of clerical and technical staff not equivalent to Professional staff. With regard to United States Foreign Service staff stationed at Washington, D.C., the view of the majority of

CCAQ members was that, bearing in mind the nature of the service, it should be excluded. The organizations considered that the greatest possible use should be made of available data. Remuneration data for the Commissioned Officer Corps concerning federal civil service doctors and United States Senior Executive Service levels should therefore be included. The same applied to adjustments intended to reflect payments under the merit pay system. On several occasions the organizations had advocated the idea of basing the remuneration comparison on average salaries rather than on step 1 salaries for several technical reasons clearly explained in various ICSC documents. CCAQ preferred the methodology indicated in the main alternative as regards the use of average salaries.

87. CCAQ had taken note of the validity check conducted by classifiers of the United States Office of Personnel Management (OPM). It was clear that the confirmation rate fell below that which would be accepted in terms of internal compatibility tests. Bearing in mind, however, that there was no yardstick for judging confirmation rates in that kind of situation, since it was the first time such a check had been carried out, the organizations, therefore, did not believe that any conclusions should be drawn concerning the validity of the equivalency study. The points raised both by the secretariat and by the OPM concerning lack of familiarity with the Master Standard and insufficient time to narrow down differences, should also be taken into account. At the Commission's twenty-third session, organizations had stressed the importance of extending the sample to include jobs representative of functions performed in specialized agencies. Those so-called specialty jobs, on which a limited study had been conducted by the ICSC secretariat, should be included in the overall margin calculation, after appropriate weighting. CCAQ did not object to the inclusion of Assistant Secretary-General (ASG) and Under-Secretary-General (USG) positions in the study. The establishment of grade equivalencies at those levels was not an impossibility; indeed, approximate equivalencies had been established in a study conducted by the ICSC secretariat in 1979, although they had not been included in the margin calculations, which had traditionally been based on the career levels P-1 to D-2. The exercise was, however, a difficult one - a fact appreciated by the Commission itself when, at its twenty-third session, it had requested its secretariat to collect information on those positions. The information assembled, which was inconclusive, did not provide a sound basis for establishing equivalencies. One possible approach would be to establish equivalencies on the basis of extrapolation. Finally, CCAQ was of the opinion that salaries in the remuneration comparison should be weighted by the square root of the number of incumbents, which was the technique used at the time of the last equivalency study.

Views of staff representatives

88. The representative of FICSA had some reservations in view of the disappointing results of the validity check. FICSA considered that a balance had to be struck between the need for perfection and the need for completing the study, in view of the definition of the margin range. FICSA stressed that interpreters and translators should be excluded from the study, owing to the statistical problems that had arisen and to the difference in the job content of those positions. FICSA opposed the application of deficient statistical methods to force a solution at the current stage. Posts outside Washington, D.C., although comparable, and posts at the GS-7 level should be excluded. Remuneration data, bonuses and performance awards for particular pay systems should be included, since they formed an integral part of the remuneration package of those pay systems. In view of their job content and the nature of their assignments, Foreign Service positions in Washington, D.C. were comparable to those of many staff in the United Nations

system, especially those subject to frequent reassignments. FICSA supported the use of average salaries for the comparison and the use of the square root system to smooth the results. FICSA appreciated the efforts to identify a series of operational positions in the specialized agencies and supported their inclusion in the study. The comparison of positions at the ASG and USG levels was not a priority for FICSA.

89. The Convenor of CCISUA pointed out that the methodologies of the various component elements of the remuneration comparison were interrelated, while questions dealing with the modalities of the grade equivalency exercise were tied to other issues. A consistent approach was needed. With respect to the job classification aspects of the exercise, it was apparent that reliance on post descriptions alone was insufficient. The Convenor expressed concern at the validity rating of 51.5 per cent and the fact that checking of validity came only after the equivalency study was well under way. While it would have been preferable to have resolved questions related to job comparison prior to proceeding with the salary aspect of the study, that exercise nevertheless represented a significant improvement over the 1978 study. With respect to the nine positions reflecting posts outside Washington, D.C. he agreed with their exclusion only if the comparison were made between New York and Washington, D.C. He saw no reason to exclude United States Foreign Service staff in Washington, D.C. who were performing functions equivalent to the United States federal civil service but happened to be paid according to a different pay schedule. He also saw no reason to exclude merit pay bonuses. He agreed with the square root weighting used in the past to smooth out the distortions in the sample. Most importantly, he urged the adoption of the use of average remuneration at each grade, which he viewed as a methodologically sound proposal, long overdue.

Discussion by the Commission

90. The Commission noted that job data were received on 514 out of 555 positions for which data had been requested from 45 United States Government agencies. Based on those data, the Commission reviewed the details of the grading exercise to determine which data could be used for purposes of the remuneration comparison and which were not usable because of the quality of the data received. The Commission noted that the secretariat had included 436 positions for analysis purposes and had excluded nine positions outside Washington, D.C. and 18 positions that were not specifically sampled, as well as a remaining group that was not usable.

91. The Commission considered certain grading anomalies included in the secretariat's analysis and it noted that, at the time of the 1978 equivalency study, such anomalous gradings had been excluded by eliminating positions in United States grades representing less than 5 per cent of the total number of positions equivalent to a particular United Nations grade.

92. The Commission considered the jobs of representation, co-ordination and liaison specialists and noted that those jobs were included in a catch-all job series covering a wide range of miscellaneous jobs in the United States federal civil service. The Commission expressed its concern about the difficulties of including the jobs of translators and interpreters in the analysis and requested its secretariat to continue to study possible equivalencies for translator positions.

93. The Commission noted that, for the United States Senior Executive Service (SES), a rank-in-person system was applied with six different pay levels

not reflecting job content, whereas in the common system job content and grade levels were directly related. The Commission also noted that the results of the analysis, although demonstrating a certain progression in salary for equivalent D-1 and D-2 levels, had been reached at random and that in a subsequent survey the reverse might be found. In order to maintain the existing distinction between D-1 and D-2 grades, the Commission requested its secretariat to study alternative solutions or refinements to calculate the margin at D-1 and D-2 levels, either by extrapolating or taking the average SES pay level with some adjustment downward for the D-1 level and upward for the D-2 level.

94. The Commission also considered the study of equivalencies at the ASG and USG levels carried out by its secretariat. It recognized that at those levels a precise methodology was even more difficult to apply than in case of the SES positions, and it noted that those positions were usually filled by political appointees and that such appointments often required confirmation by the United States Senate. In the common system, positions at those levels were also filled by appointees, nominated on the basis of general policy considerations, while posts were established by the legislative and governing bodies of organizations, rather than by classification. At those levels, the relationship between job content and pay was also found to be elusive. The Commission believed that, on the basis of the methodology used for the remuneration analysis, no direct equivalencies could be established. It therefore requested its secretariat to study the methods that could be applied for comparison purposes.

95. The Commission noted the conclusion of the OPM classification experts that United States Government GS-7 professional and administrative positions appeared to fall within the range of work covered by the P-1 level of the common system in terms of Tier II standards, although they recognized that there might be occupations where P-1 level work exceeded that of the GS-7 level. The Commission, by majority, concurred with the view of the OPM experts and determined that GS-7 level positions should be included in the equivalency analysis. Some members of the Commission were of the opinion that there was no sound and technical basis to include those positions, since less than 40 per cent of the posts that were sampled at the GS-7 level were found to be of a professional nature and were primarily developmental and since three prior equivalency studies had systematically excluded such posts.

96. The Commission reviewed the data of the United States Foreign Service in the analysis. A majority considered that that category was not part of the national civil service. It was pointed out that the 24 position descriptions in the Foreign Service received by the secretariat concerned five common system jobs in the sample. Nineteen of the 24 positions concerned technical co-operation administrators and economists, the most populated jobs in the common system. Some members of the Commission were of the opinion that, in view of the similarity of the jobs, those Foreign Service positions should be included.

97. The Commission considered the inclusion or exclusion of specialty jobs and noted that they represented important jobs in some common system organizations and should be included.

98. The results of a validity check carried out by OPM were reviewed. The Commission noted the relatively low rate of agreement of 51.5 per cent with the gradings determined by the common system classifiers and expressed its concern that no higher rate of confirmation had been reached. The Commission further noted that the assessment of its secretariat and the OPM officials was that, if it had been

possible to spend more time on reviewing the individual differences in greater depth, the confirmation rate could have been higher. While the Commission appreciated the difficulty of persons experienced in only one of the two different classification systems applying both with equal accuracy, it nevertheless was not enthusiastic about that percentage and requested its secretariat to continue consultations with OPM with a view to reaching a higher rate of agreement.

99. The Commission noted that, on the common system side, all positions in the 22 jobs world wide were included in the sample, while on the United States side only jobs in the federal civil service in Washington, D.C. were taken into account and they represented approximately one sixth of the total number of comparable positions throughout the United States federal civil service. All 22 common system jobs included in the equivalency study sample were sufficiently represented in Washington, D.C., the only location that had sufficient numbers of positions and the variety of jobs required to obtain a statistically valid result. Some members of the Commission expressed the wish to include additional positions outside Washington, D.C., if it were found that certain jobs not included in the 22 jobs were not sufficiently represented in that city, for instance, the cases of specialty jobs and translators. The Commission further noted that the comparison would be based on pay data in Washington, D.C. and New York only.

100. The question of reducing dominance of the largest populated groups of jobs in the sample, namely, the technical co-operation administrators and economists, was discussed in detail by the Commission while considering the need to reduce dominance. Three possibilities were reviewed for weighting relevant United States federal civil service salaries by the number of positions per job: (a) using the actual data; (b) natural logarithm; and (c) square root. The Commission was informed by its secretariat that the logarithm would reduce dominance to the greatest extent, while the square root would leave the actual weight more intact. Although the Commission did not object to using the square root, it requested its secretariat to study the issue further and to report thereon to the Commission at its twenty-fifth session.

101. In considering the methods of calculation of United States federal civil service salaries, the Commission reaffirmed its decision in connection with the methodology of calculating the margin to apply average salaries rather than step 1 of the grade. However, the Commission requested its secretariat to study the possible influence on average salaries of the different lengths of career in the United States federal civil service and in the common system and to report thereon to the Commission at its twenty-fifth session.

102. The Commission reviewed the question as to whether to include bonuses and performance awards paid in the United States federal civil service, which were not part of base pay as defined by the United States Government. It also considered and agreed to the inclusion of the additional physicians' comparability allowance. Some members were concerned about extra pay for certain categories of staff being averaged across all relevant United Nations staff, but noted that CCAQ had made a conscious choice not to copy the United States system of special rates in that respect.

103. With regard to merit pay awards, the Commission reiterated its decision to exclude performance awards not included in base salaries. The Commission recognized that this would result in the inclusion of a certain portion of performance awards in the analysis and the exclusion of another portion not included in the United States definition of base pay.

Decisions by the Commission

104. The Commission agreed, for the time being:

- (a) To use 436 positions for analysis purposes and exclude positions outside Washington, D.C. and positions that were not specifically sampled;
- (b) To exclude anomalous gradings by eliminating positions in United States grades representing less than 5 per cent of the positions and single gradings equivalent to a particular common system grade;
- (c) To exclude the jobs of representation, co-ordination and liaison specialists and interpreters and translators, but to request its secretariat to study further the equivalencies of translator jobs and to report thereon to the Commission at its twenty-fifth session;
- (d) To include positions in the SES, but to request the secretariat of ICSC to study further refinements for pay comparison with the D-1 and D-2 levels and to report thereon to the Commission at its twenty-fifth session;
- (e) To exclude ASG/USG-level positions for the time being, but to request its secretariat to study other methods of comparing positions at those levels, and to report thereon to the Commission at its twenty-fifth session;
- (f) To include GS-7 positions;
- (g) To exclude all Foreign Service positions;
- (h) To include specialty jobs;
- (i) To note the results of the validity check by the United States Office of Personnel Management and to request the secretariat of ICSC to continue consultations with OPM in order to reach a higher rate of agreement, and to report thereon to the Commission at its twenty-fifth session;
- (j) To use positions in Washington, D.C., but to collect data on additional positions outside that city if jobs were not sufficiently represented;
- (k) To apply the square root in order to reduce dominance of highly populated jobs, and to request its secretariat to study the issue further and to report thereon to the Commission at its twenty-fifth session;
- (l) To use average salaries and to request its secretariat to study the effect of different lengths of career in the two services on those averages and to report thereon to the Commission at its twenty-fifth session;
- (m) To exclude bonuses and performance awards that were not part of base pay as defined by the United States federal civil service, and to include additional pay for physicians;
- (n) To exclude merit pay performance awards that were not included in base salaries as defined by the United States federal civil service.

5. Separation payments

105. Since 1981, on the basis of General Assembly decision 36/459 of 18 December 1981, separation payments in respect of commuted annual leave, repatriation grant, death grant and termination indemnity for the Professional and higher categories have been determined by reference to gross salary adjusted by movements of the weighted average of post adjustments (WAPA), less staff assessments. In 1984, by section IV of its resolution 39/69 of 13 December 1984, the Assembly decided to consolidate 20 points of post adjustment into base salary effective 1 January 1985 and, in conjunction with the above action, decided that, effective 1 January 1985, separation payments for staff in the Professional and higher categories would continue to be based on the 1981 scale, subject to the approved adjustment procedure and the revised scale of staff assessment for this category of staff effective 1 January 1985. Since the modifications in the scale of separation payments resulting from the above revision in the rates of staff assessment were minor, the amounts used for separation payments remained essentially unchanged.

106. Based on the approved adjustment procedures and a 5 per cent movement in the 1 January 1986 WAPA index over the base date of 1 September 1979, an increase in the scale of separation payments became due with effect from 1 April 1986.

107. At its twenty-fourth session, the Commission was informed of an exchange of correspondence between the Chairman of ICSC and the Secretary-General of the United Nations in his capacity as Chairman of ACC. The Chairman of ICSC requested the views of ACC on the question of an increase in the scale of separation payments in the light, *inter alia*, of the financial implications that would result from such an increase for the United Nations as well as for other organizations of the common system and of the legal and other policy considerations involved. Upon receipt of the views of ACC, the Chairman intended to review the general issue of the automatic adjustment to the scale of separation payments and consider an appropriate course of action. ACC was of the view that the key consideration was "the need to comply with regulations and rules currently in force, unless and until they are modified" and that, consequently, the scale should be increased by 5 per cent with effect from 1 April 1986.

108. The Commission also considered a note on separation payments prepared by FICSA, an exchange of communications between the Executive Secretary of ICSC and the United Nations Legal Counsel on this subject, and a further note by its secretariat, including a proposal for a change in the WAPA adjustment mechanism. After taking into account the views expressed by ACC and the staff representatives, the Commission concluded that a revised scale of separation payments should be promulgated with effect from 1 April 1986, which was estimated to lead to an increase in separation payments of some \$ 6 million per annum systemwide. The Chairman subsequently issued the revised scale, and the 1 January 1986 WAPA index became the new base for future calculations of the movement of WAPA.

Views of the organizations

109. The Chairman of CCAQ expressed the satisfaction of the organizations over the Chairman's announcement that he would promulgate the revised scale of separation payments effective 1 April 1986. CCAQ, after examining an adjustment in the procedure for computing WAPA proposed by its secretariat at the request of the Commission, proposed an adjustment in the computation of WAPA so as to reflect all elements entering into the determination of WAPA, including any freeze in post adjustment resulting from the operation of the system within a defined margin range.

Views of the staff representatives

110. The President of FICSA welcomed the Chairman's decision to promulgate the revised scale of separation payments effective 1 April 1986. In view of the short time available to study the proposed changes in the WAPA adjustment mechanism submitted by the secretariat of ICSC and CCAQ, FICSA wished to reserve its position on that aspect.

111. The Convenor of CCISUA expressed the view that the proposed changes in the WAPA adjustment mechanism required further study. CCISUA, therefore, reserved its position on the matter.

Discussion by the Commission

112. The Commission noted that the Chairman had issued the revised scale of separation payments for the Professional and higher categories with effect from 1 April 1986. The Commission also recognized that, while post adjustment in New York had been frozen since 1 December 1984 and action had been taken to bring post adjustment indices (PAIs) at other duty stations in line with New York, pay indices at some locations were higher than the PAI. The existing weighted average of post adjustments index (WAPA) adjustment mechanism did not take that factor into consideration. The Commission was of the view that the revised procedure recommended by the secretariat with the amendments suggested by the organizations would take fully into account any differences between PAIs and pay indices at all duty stations. One member of the Commission expressed his opposition to the maintenance of an automatic adjustment mechanism for separation payments in a situation where the net remuneration of serving staff members was frozen.

Decision by the Commission

113. The Commission, therefore, decided that, effective 1 January 1986, the current base date for the calculation of WAPA, the adjustment mechanism should be modified as follows:

(a) The WAPA index should be calculated based on the multipliers in effect on 1 January 1986 at all duty stations that had a total of 60 or more staff in the Professional and higher categories, or 35 or more such staff in a single organization as at 31 December 1985, using as weights the number of staff at each duty station;

(b) Using the same duty stations and weights, a second WAPA index should be calculated based on the PAI at each duty station;

(c) The WAPA index to be used for the purpose of adjusting the scale of separation payments should be the re-based index reflecting the ratio of the PAI-based WAPA index to the multiplier-based WAPA index;

(d) The computations should be based on the average WAPA index for three consecutive months, namely, June, July and August, for any change in separation payments effective 1 October; and December, January and February for any change effective 1 April.

114. Based on the procedure described above, the WAPA index as at 1 January 1986 was 93.5. Future movements of WAPA should be measured against that base. The Commission agreed that the next upward adjustment to the scale of separation

payments would take place when the index reached a level of 105. However, a downward adjustment to the scale would be made when the index registered a drop of 5 per cent as compared with 1 January 1986, i.e., when it reached a level of 88.8.

B. Matters relating to post adjustment

Report on the eleventh session of the Advisory Committee on Post Adjustment Questions

115. At its twenty-fourth session, the Commission considered the report on the eleventh session of its Advisory Committee on Post Adjustment Questions (ACPAQ). The report contained an outline of the Committee's consideration of various issues pertaining to the post adjustment system, e.g., cost-of-living methodology, the problem of duty stations with low or negative post adjustment classifications, the separation of the effects of inflation and currency fluctuations, the elimination of post adjustment at the base, etc.

Views of the organizations

116. The Chairman of CCAQ expressed the view that the methodology for the conduct of cost-of-living surveys needed to be streamlined and simplified at field duty stations, and that the recommendations of ACPAQ struck the correct balance between rapid responsiveness and the need for statistical accuracy. The organizations also supported an early review of the rental subsidy scheme. The organizations continued to favour the establishment of a floor at duty stations with low or negative post adjustments, so that remuneration expressed in United States dollars at duty stations other than New York would not be allowed to fall below an agreed percentage of New York remuneration. If, however, the Commission remained opposed to that approach, they would be prepared to endorse the measures recommended by ACPAQ as a means of providing some relief to staff serving at field locations with low or negative post adjustments. With respect to the issue of separating the effects of inflation and currency fluctuations, after an in-depth study of the alternatives proposed by ACPAQ, CCAQ wished to propose as an interim solution a variation of the proposal involving the application of a remuneration correction factor (RCF) to the post adjustment multiplier so as to eliminate the regressive effect built into the post adjustment system. Under the approach recommended by CCAQ, in addition to out-of-area consumption expenditures, the pension contribution element heretofore taken into account in the regressivity factor and the non-consumption element of 5 per cent of net base salary recommended by ACPAQ under another item would be treated as elements not subject to exchange rate variations. CCAQ also suggested the use of multiplier points divided into quartiles for application of the RCF.

Views of the staff representatives

117. The President of FICSA supported the recommendations of ACPAQ concerning the methodology for cost-of-living surveys, but had difficulty with the Committee's proposals relating to the problems of duty stations with low or negative post adjustments. As regards the effects of currency fluctuations on take-home pay, FICSA pressed for an immediate solution to the problem.

118. The Convenor of CCISUA welcomed the proposals of ACPAQ on access to cost-of-living survey data. With regard to the issue of duty stations with low or negative post adjustments, CCISUA was prepared to accept the ACPAQ recommendation

as an interim measure pending further study. In view of the practice of the comparator civil service, however, CCISUA maintained that no negative post adjustment classifications should be applied. CCISUA strongly recommended a review of the rental subsidy scheme both in the field and at duty stations in Europe and North America. As regards the separation of inflation and currency fluctuations, CCISUA welcomed the interim measures that had been proposed by CCAQ as a partial solution to the problem.

Discussion and decisions by the Commission

Review of the cost-of-living methodology

119. The Commission noted that the ACPAQ recommendations on the methodology for the conduct of cost-of-living surveys sought to achieve a balance between the need for statistical accuracy and for simplicity in data collection and analysis procedures, and to provide simplified methods that could be used quickly and effectively in cases of high inflation and/or substantial devaluation of the local currency. The Commission approved the ACPAQ recommendations on the item with some modifications. The full text of the changes made in the methodology is reproduced as annex III to the report of the Commission on the work of its twenty-fourth session. 11/

Access to survey data and the consultation process

120. The Commission approved with some changes the procedure recommended by ACPAQ relating to access to cost-of-living survey data and the consultation process between the secretariat of ICSC and the organizations and staff. Details of the approved procedure may be found in paragraphs 36 to 39 of the report of the Commission on the work of its twenty-fourth session. 11/ The Commission indicated that its intent in approving the above procedure was to make the survey process as transparent as possible.

Duty stations with extreme post adjustments

121. The Commission decided that pension contributions should be treated as a separate component of the post adjustment index (PAI). The PAI would thus consist of three separate elements:

(a) The in-area portion, updated by movements of local prices and exchange rate changes;

(b) The out-of-area portion, including out-of-area non-consumption commitments, updated by the out-of-area price progression factor;

(c) The pension contribution portion, to be expressed in United States dollars and remain constant unless there is a change in the scale of pensionable remuneration and/or the rate of pension contribution.

122. The Commission decided to add to the out-of-area component, indicated in paragraph 121 (b) above, an amount corresponding to 5 per cent of net base salary, to account for out-of-area non-consumption expenditures.

123. The Commission noted that the separate treatment of the pension contribution and the inclusion of non-consumption commitments in the out-of-area index would lead to an increase in PAIs for duty stations with a very low post adjustment classification and a corresponding decrease at locations with a very high post adjustment classification.

124. As regards the financial implications of this decision the Commission noted that the immediate cost to the organizations was estimated at \$200,000 per annum system-wide but that, in the long run, the solution was expected to be cost-neutral. This decision should be implemented with effect from 1 January 1987.

Separation of the effects of inflation and currency fluctuations in the post adjustment system

125. The Commission noted that, owing to the regressivity built into the post adjustment system exchange rate fluctuations directly affected take-home pay. It further noted that two organizations (WIPO and UPU) had already taken steps independently to remedy the situation, while a third (GATT) was considering similar action. In view of the foregoing, the Commission concluded that a solution to this long-standing problem must be found without delay. The Commission therefore decided to approve the procedure that had been recommended by the organizations, establishing a remuneration correction factor (RCF) whereby:

(a) The pension contribution element heretofore taken into account in the regressivity factor and, in addition to out-of-area consumption expenditures, a non-consumption element of 5 per cent of net base salary would be treated as components not subject to exchange rate variations;

(b) The calculations would be related to the income of a P-4, step VI, with dependants, i.e., the traditional mid-point used for computation purposes;

(c) Once an RCF was established, to make the system more responsive multiplier points would be divided into fifths, i.e., 0.20 0.40, 0.60 and 0.80, and the RCF applied accordingly, rounded in such a way as to moderate both gains and losses.

The Commission noted that the above procedure was similar to the measures it had approved at its sixteenth session, which were reflected in its eighth report to the General Assembly. 12/

126. The Commission decided that the above procedure should be applied on an interim basis with effect from 1 September 1986, and requested its secretariat to monitor its implementation. The Commission further decided that the procedure should be used at the six headquarters locations other than New York, as well as in European countries with fully convertible currencies and in Japan, as these were all countries where exchange rates had been subject to both upward and downward movements. Finally, the Commission requested ACPAQ to continue its study of the issue with a view to the development of a long-term universal solution.

127. As regards the financial implications of the proposal, the Commission noted that at the June 1986 exchange rate, the cost to the system of application of the RCF over one year would be \$1.8 million. It further noted that should the United States dollar strengthen sufficiently in the future in relation to other currencies, this measure would result in savings for the organizations.

Study of the possibility of eliminating the post adjustment in New York

128. In response to the request made by the General Assembly in its resolution 40/244, section I, paragraph 4, the Commission considered the issue of the possible elimination of the post adjustment in New York. It requested ACPAQ to continue its study of this matter.

Duty stations with special measures

129. The Commission decided that at duty stations where special measures had been applied but where post-devaluation inflation had been lower than anticipated, a part of the benefit provided by the special measures should be eliminated. Where appropriate, mini-surveys should be used to determine the excess post adjustment. The Commission further decided that the reduction should proceed at the rate of 5 multiplier points per month, and be calculated as the lower of: (a) the difference between the notional index and the post adjustment index resulting from a cost-of-living survey, less 5 multiplier points; or (b) the benefit provided under the special measures, less 5 multiplier points. The Commission also decided that two months' notice should be given to the organizations and staff concerned before application of those corrective measures.

CHAPTER IV

CONDITIONS OF SERVICE IN THE GENERAL SERVICE AND RELATED CATEGORIES

Remuneration of the General Service and related categories: staff assessment

130. The current scale of staff assessment for staff in the General Service and related categories was recommended to the General Assembly by the Commission in its sixth annual report, 13/ and approved by the Assembly for implementation with effect from 1 January 1981.

131. At its twenty-second session (July 1985), the Commission considered the methodology proposed by its secretariat for the determination of a revised scale of staff assessment. At its twenty-third session (March 1986), the Commission approved, on a tentative basis, a scale of staff assessment calculated on the basis of that methodology. At its twenty-fourth session (July 1986), the Commission examined additional information concerning the impact of the proposed rates of staff assessment on gross salaries at selected duty stations. Two alternative proposals from the secretariat seeking to limit the effects on gross salaries of large salary increases and substantial devaluations or revaluations of the local currency vis-à-vis the United States dollar, as well as recommendations for transitional measures, were also examined by the Commission.

Views of the organizations

132. The Chairman of CCA2 informed the Commission that the recommended scale of staff assessment was acceptable to the organizations, since it reflected the conclusions of the tripartite working group on staff assessment, which had met in January 1986, and the tentative decisions taken by the Commission at its twenty-third session. As regards transitional measures, the organizations preferred procedures identical to those approved by the General Assembly on the occasion of the previous revision of the staff assessment scale in 1981.

Views of the staff representatives

133. The President of FICSA stated that the proposed scale of staff assessment based on current tax rates at selected duty stations was acceptable in that, while resulting in reductions in pensionable remuneration for staff in the upper salary ranges, it would yield higher levels of pensionable remuneration for those in the lower brackets. FICSA requested the Commission to examine the impact of the recommended scale of staff assessment on the pensionable remuneration and retirement benefits of General Service staff in Montreal, in connection with the next General Service salary survey at that duty station. The President of FICSA added that the adoption of transitional measures identical to those approved by the General Assembly in 1981 was a pre-condition for FICSA's acceptance of the scale of staff assessment before the Commission.

134. The Convenor of CCISUA expressed reservations regarding the effects of the proposed rates of staff assessment on pensionable remuneration amounts for General Service staff. This notwithstanding, in light of the Commission's decisions at its twenty-third session, he strongly urged adoption of the transitional measures proposed by the secretariat.

Discussion by the Commission

135. At the request of one member of the Commission, information was provided on the measures that had been adopted to deal with the effects of the previous change in the scale of staff assessment on gross salaries for General Service staff in Montreal. The Commission requested the secretariat to monitor the situation in Montreal in consultation with the administration and staff of the International Civil Aviation Organization (ICAO) and, should serious problems develop, to make specific recommendations to the Commission with a view to overcoming those difficulties.
136. One member of the Commission observed that the use of the individualized arrangements described in the latter part of the transitional measures proposed by the secretariat was likely to be cumbersome and did not appear to be cost effective.
137. The Commission noted that while the special measures referred to in the secretariat document were intended to avoid wide fluctuations in gross salaries and pensionable remuneration resulting from the reverse application of staff assessment to net salaries, in reality the proposals made by the secretariat would not fully meet that objective. The Commission therefore was of the view that the secretariat should study the matter further and make recommendations to the Commission in that regard at its twenty-sixth session.
138. Under rule 33 of the Commission's rules of procedure, the secretariat requested information from the organizations with regard to the budgetary implications resulting from the application of the revised scale of staff assessment. On the basis of the information provided by CCAQ, the Commission noted that, while the suggested change in the rates of staff assessment would not result in immediate budgetary increases or reductions, the increase in common staff costs in the coming years would be somewhat smaller than would otherwise have been the case. The organizations indicated that, in the long run, it could be envisaged that the proposed revision in the rates of staff assessment would represent a reduction in the contributions of the organizations to the United Nations Joint Staff Pension Fund of approximately \$500,000 per annum.

Recommendations of the Commission

139. The Commission agreed to recommend to the General Assembly that the scale of staff assessment reproduced in annex XIII to the present report should be approved for implementation with effect from 1 January 1987. The recommended scale would be used for the determination of gross salaries at each duty station as of the date of the first revision to the salary scales of staff in the General Service and related categories.
140. The Commission further agreed to recommend to the General Assembly that it should approve transitional measures whereby existing gross salaries, and therefore rates of pensionable remuneration, would be maintained if the new rates of staff assessment applied to the revised net salaries were to produce lower gross salaries. The transitional arrangements would remain in effect until existing gross salaries were overtaken as a result of subsequent revisions to the relevant salary scale.

CHAPTER V

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

Mandatory age of separation from service

141. The ICSC secretariat presented a document in which it reported on a number of considerations for review by the Commission when it re-examined the age at which staff have to retire (the mandatory age of separation from service is currently age 60 for the United Nations and nearly all other organizations participating in the work of ICSC). 14/ These included considerations of the geographical distribution of Professional staff in the organizations, the life expectancy and health of staff, the efficiency of the staff and the effectiveness of the secretariats, the question of whether it should be the prerogative of executive heads or of individual staff members to decide whether to continue in service past the age of 60, the career development of staff, the accumulation of pension benefits of new staff recruited after 1 January 1983 compared with staff in service before then, the actuarial implication for the UNJSPF and the financial implications for the organizations.

Views of the organizations

142. The Chairman of CCAQ recalled that Pension Fund Regulations provided for the retirement of staff at the age of 60 or even earlier, provided they had at least five years' participation in the Fund. The age of mandatory separation from service, which was determined by the staff regulations and rules of the organizations and decided on by the governing bodies, was 60 in all organizations except in FAO, where it was 62. CCAQ considered that the executive heads should retain the right, in exceptional circumstances, to extend certain staff members according to the needs of the organizations. While the organizations could agree with the secretariat's views relating to life expectancy and related health considerations, they did not find the arguments in favour of extending the mandatory age of separation compelling. The actuarial situation of the Pension Fund and the accumulation of benefits in the Fund were important elements, but should not determine decisions concerning personnel policy. Hence, the existing age of mandatory separation from service was considered satisfactory by the organizations.

143. The representative of UNDP said that, since UNDP recruited most of its staff at young ages at the P-1 or P-2 level, such staff were able to have a long career with UNDP. Its active rotation policy also contributed to bringing new blood into the organization. With respect to project staff, it was vitally important that the best be recruited, irrespective of age. Increasing the mandatory age of separation would be particularly useful for General Service staff serving in the field, as it would permit many of them to maintain their livelihood late in life when there were no other options.

144. The representative of WHO said that WHO supported raising the mandatory age of separation to 62, but would only do so if it were to become a common system approach.

145. The representative of ILO said that, while ILO supported a liberal policy of extensions at the discretion of the executive head, it did not support raising the mandatory age of separation. Raising the mandatory age would be counter-productive

to geographical distribution, have a negative impact on career development and rotation and would prevent organizations from taking the necessary steps to cope with the current financial crises.

146. The representative of the United Nations generally agreed with the arguments presented by ILO for not raising the mandatory age of separation. He added that it would also make it more difficult to deal with the question of abolition of posts, should such a measure become necessary in the light of the present financial crisis. He also noted that the General Assembly had limited the flexibility of the Secretary-General to grant extensions beyond age 60 to a maximum of six months.

Views of the staff representatives

147. The General Secretary of FICSA gave general support to the recommendations contained in the document prepared by the secretariat of ICSC, with the following clarifications: increasing the mandatory age of separation from service to 62 years should in no way prejudice the statutory retirement age of 60 and the possibility of early retirement at age 55; moreover, the choice to remain in service beyond age 60 should be up to the staff member concerned. This would not expose the staff to undesirable personnel practices that often resulted in inequality of treatment. The solution proposed by FICSA was in fact applied in FAO to the satisfaction of all parties concerned.

148. The Convenor of CCISUA stated that the Committee had in the past supported the package of measures recommended by UNJSPB to address the actuarial situation of the Fund, including the extension of the mandatory age of separation to 62. This position was taken on the understanding that it was without prejudice to the right of staff to retire at age 60 or to take early retirement at 55. Any decision should be the prerogative of the staff member and not strictly be at the discretion of the administration.

149. The representative of FAFICS recalled that retired staff currently numbered some 18,000 people, many of whom depended solely on their pensions for their livelihood and were therefore vitally concerned by questions that affected the financial situation of the Fund. FAFICS attached particular importance to the twofold impact on the actuarial situation of raising the mandatory age to 62. First, staff would make contributions for two more years to the Fund and, as beneficiaries, the period of time during which they would be drawing benefits from the Fund would be reduced by two years. Extending the mandatory retirement age by two years would have the effect of restoring some parity between staff recruited after 1 January 1983, when reductions in the rate of accumulation of benefits took effect, and their predecessors. This would respond in some measure to the General Assembly's concern regarding inequalities that might exist between pensioners who retired at different dates. FAFICS also drew the Commission's attention to a growing trend in many parts of the world to maintain persons, as a matter of social policy, in active service as long as they were able to make a useful contribution. This trend had arisen in part as a result of the improved health and longevity of the staff and also of the need to safeguard or improve the actuarial and financial position of the social security and retirement schemes. Those issues had been discussed at some length at the World Assembly on Aging in 1982. FAFICS therefore welcomed the recommendation to extend the mandatory age of retirement from 60 to 62, while maintaining the statutory right of staff to retire at 60 with full benefits.

Views of the Pension Board

150. The Secretary of UNJSPB recalled that the Pension Board supported the extension of the age of mandatory separation from 60 to 62 and that it had so requested in its reports to the General Assembly since the thirty-seventh session. The Fund's consulting actuary estimated that the actuarial benefit to the Fund would be of the order of 0.46 per cent of total pensionable remuneration. The saving was not higher because it was not expected that all staff would choose to stay on until age 62. The option would be more attractive to staff with less than 20 years of contributory service. Staff with 25 years of service or more would be unlikely to stay on. He recalled that the Pension Review Group of 1959-1960 had advocated that staff members with expertise who had been recruited late in life should be retained beyond age 60 so that the organizations could continue to benefit from their experience. He further recalled that in 1960 the life expectancy of United Nations staff at age 60 was 19.677 years, while in 1984 a person at age 60 had a life expectancy of 22.508 years, 2.8 years higher than in 1960. This, coupled with the fact that many staff would have less than 20 years of contributory service, meant that a large number of staff would draw benefits for more years than they had contributed.

Discussion by the Commission

151. Some members of the Commission supported raising the mandatory age of separation from service from 60 to 62 because, in their view, age 60 was by no means the maximum age for productivity; however, they also felt that this was not the appropriate time to do so. Other members did not support raising the mandatory age of separation from service because, in their view, this would adversely affect geographical distribution of staff, career development opportunities for staff and the possibility of attracting new blood into the organizations. Several members also felt that it was not appropriate to consider the question of the mandatory age of separation from service without, at the same time, considering the question of the statutory age of retirement. In view of a subsequent statement made by the Secretary of UNJSPB that the question of the statutory age of retirement fell within the mandate of the Pension Board, one member proposed that the two questions would be worth examining concurrently at an appropriate time by the competent bodies.

Conclusions of the Commission

152. The Commission decided to defer further consideration of the question of the mandatory age of separation from service until a more appropriate time.

CHAPTER VI

CONDITIONS OF SERVICE IN THE FIELD

A. Recent developments

153. The Commission reviewed documents received from CCAQ, FICSA, CCISUA and its own secretariat on the determination of benefits of staff in the Professional and higher categories in the field, the assignment allowance and classification of duty stations according to conditions of life and work. It noted that CCAQ would be reviewing the assignment allowance in the context of its study on mobility of staff, the results of which would be referred to the Commission in 1987, and that a tripartite working group consisting of representatives of CCAQ, the staff and its own secretariat, would also be reporting back to it in 1987 following its review of the classification of the duty stations' scheme. The Commission, therefore, decided to take up those matters again in 1987 in the light of those reports and further documentation provided by its own secretariat.

B. National Professional Officers

154. At its twenty-third session, the Commission reviewed the use of the National Professional Officer (NPO) category by UNICEF, UNDP and the United Nations. In its review, the Commission considered current NPO pay rates, the career, grades and structure of this category, other conditions of service and the relationship of this category to other categories of staff.

Views of the organizations

155. The Chairman of CCAQ recalled that the Commission had never considered the issue in the context of the uniform across-the-board use of NPOs by all organizations. While some organizations found the use of NPOs to be an effective tool, others did not find them appropriate to their programmes for a variety of reasons. The experience of the organizations concerned was that the ICSC Master Standard was generally well suited to the grading of NPO posts. The organizations did not, however, consider that the employment of NPOs should be encouraged or institutionalized on a common system basis.

156. The representative of UNICEF presented a paper on the development of NPOs in UNICEF over the past 25 years. As at February 1986, UNICEF employed 357 such officers at 102 different duty stations, which represented 28 per cent of all UNICEF Professional staff and approximately 75 per cent of all NPOs in the United Nations system. UNICEF provided information on the academic qualifications of its NPOs (approximately 80 to 90 per cent had at least a first university degree) and the classification of such posts, including its current application of the ICSC Master Standard, and also indicated the progression of a limited number of NPOs to the international Professional category each year.

157. The representative of UNDP referred to the use of 130 NPOs in UNDP in 100 countries, all of them developing countries. NPOs worked locally only in their home country and provided continuity at the Professional level in UNDP field offices while the international staff rotated. UNDP hoped to pass on the responsibility of projects to local Governments and therefore considered the

NPO category to be of a transitional nature. UNDP had found the use of the ICSC Master Standard appropriate for grading NPO posts and was paying salaries in accordance with best prevailing local conditions. Together with other organizations, UNDP was studying the development of an appropriate salary methodology.

158. The representative of the United Nations provided statistics on the use by the United Nations of NPOs (17 at the end of 1985). The representative of UNHCR, on the other hand, stated that while UNHCR was not currently using NPOs, it had identified some posts for which NPOs could be used.

159. The representative of WHO pointed out that WHO, which worked closely with UNICEF, did not use NPOs because of its regional structure. WHO technical advice, in particular on health questions, to ministries of health was nevertheless ably complemented by logistical support from UNICEF, including the use of NPOs.

Views of the staff representatives

160. The Vice-President of FICSA stated that, in those organizations where the NPO scheme worked well, where the goals of organizations were being met and where the entitlements of NPOs were not compromised, the scheme should continue. Moreover, organizations that, for their own reasons, wished to introduce the scheme, should be able to do so.

161. The Convenor of CCISUA noted that the functioning of the NPO scheme had given rise to certain anomalies and unresolved problems that warranted detailed study. CCISUA urged the Commission to establish a suitable grading and salary methodology that would not merely be an extrapolation from General Service scales and that would bear comparison with the scale for the remuneration of international Professional staff, less the expatriation element, while being adjusted for local market conditions for comparable services. If relocated away from the duty station of recruitment, NPOs should be eligible for benefits enjoyed by Professional staff.

Discussion by the Commission

162. The Commission noted that NPOs had made a significant contribution to technical co-operation programmes in developing countries. It was of the view that the organizations might wish to use this category of staff on a limited basis in some developed countries also, for example, in United Nations information centres when knowledge of a local language and cultures was indispensable. Concern was nevertheless expressed at the rapid increase in the number of NPOs since 1980, when the Commission had agreed to the use of the category under specified conditions. The Commission also considered that NPOs should not be encouraged to believe that they were a prime source for recruitment into the international Professional category, which they were not, as that could give rise to unnecessary misunderstandings, nor did they feel that the Commission should urge Governments to consider the use of NPOs for development purposes, as that was a matter for the Governments themselves and should be taken up, as the situation demanded, at the country level.

163. The Commission noted the rapid expansion of the NPO category by UNICEF. Some members expressed concern that the expansion had not really complied with the conditions the Commission had specified in 1980 for the limited use of the category. They also wished to caution organizations against too liberal a use of the category.

Decisions of the Commission

164. The Commission recognized the need for NPOs in some development programmes and projects. The Commission also recognized the evolution of that group of staff as necessary, but reiterated the limited conditions it had specified in 1980. ^{15/} It also considered that the category could be used in non-headquarters duty stations where there were United Nations information centres. In particular, the organizations concerned should develop a draft job classification standard and classification structure, as well as a salary survey methodology, for consideration by the Commission at its twenty-fifth session. In that connection, it noted that it had been envisaged earlier that a supplement could be prepared for the general methodology for salary surveys of the General Service and related categories. Proposals should also be made by the organizations as to how to deal with the overlap in functions of staff in the Extended General Service Level (EGSL) and NPO categories, who were paid differently.

CHAPTER VII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 13 OF ITS STATUTE

A. Implementation of job classification of the General Service and related categories in New York

165. At its twenty-third session (March 1986), the Commission considered a document prepared by its secretariat and notes prepared by the United Nations and by the United Nations Staff Union on the implementation of job classification of the General Service and related categories in New York. The note by the secretariat provided an historic overview of the development of the standards and a study of the implementation promulgated in 1982 and 1983, including suggestions for observations to be made by the Commission as requested by General Assembly decision 40/466 of 18 December 1985. The Commission was informed, in particular, that UNICEF had implemented the results of the job classification of the General Service and related categories in November 1985, and that the Governing Council of UNDP had decided, at its session in February 1986, to implement the results of the exercise with effect from 1 January 1986, with the proviso that that date should be reconsidered when the United Nations decided on the implementation of its classification results.

Views of the organizations

166. The representative of the United Nations stated that the point of view presented in the document prepared by the secretariat of ICSC was not shared by his organization. He introduced the note prepared by the United Nations, reflecting its views on the subject and comments on the secretariat's document. The United Nations considered that an extensive review of the posts, on which different views existed, had been conducted, but that indeed the Conference Officer posts had caused a problem. That was, however, a problem inherent in the standard. A review of the relevant benchmarks and the standard, which might have to be referred back to the Commission, should therefore be undertaken. The United Nations was ready to co-operate in developing further benchmarks, as requested by the Commission at its twenty-second session.

Views of the staff representatives

167. The President of the Staff Union of the United Nations in New York, when introducing the report of the Staff Union, expressed the deep concern of the staff in New York over any further delay in implementing the classification results. He proposed that the classification results approved by the Secretary-General be implemented as soon as the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had given its approval and that the career development plan be introduced; that the United Nations be urged to initiate the appeals procedure and to set a timetable; and that the three organizations be requested to consult on the application of the standards and report to the Commission on efforts to ensure consistency, including a definitive set of guidelines and benchmark jobs.

168. The representative of FICSA expressed his support for the statement made by the President of the United Nations Staff Union.

Observations by the Commission

169. The Commission noted that the first five levels of the recommended seven-level salary scale had been implemented in 1984, first by the United Nations and subsequently by UNDP and UNICEF, with no regard to the seven-level classification structure approved by the Commission and used as a basis for the salary survey, disregarding the advice previously communicated by the Chairman to the United Nations as the lead agency, thus setting aside the relationship between General Service salaries and job content.

170. As UNICEF and UNDP had now implemented the classification of their posts in the General Service and related categories in accordance with the Commission's earlier recommendations, the Commission trusted that measures would be taken as soon as possible to expedite the completion of the classification exercise in the United Nations. In that connection, it appreciated the concern of United Nations staff that all remaining issues be resolved promptly.

171. The Commission noted the delays in completing the exercise in the United Nations. It recognized that the results of recourses could affect the final numbers of upgradings, downgradings and confirmation of classification decisions in the United Nations. In the circumstances, the Commission noted that the United Nations had not been able to provide sufficient information or rationales on its classification decisions for the Commission's secretariat to analyse for consideration by the Commission. The Commission also noted that the Chairman of the Classification Review Group (CRG) had not agreed to provide clarifications to the ICSC secretariat and its consultant on the work of CRG, despite repeated requests, a position which was endorsed by the United Nations.

172. As the Commission was concerned with the situation, which could adversely affect staff morale in the United Nations, it made the following observations:

(a) It was suggested that the Secretary-General fix early, realistic deadlines for receipt and consideration of appeals by departments against the upgrading of any posts before implementation, as it would be inappropriate if staff were first upgraded and subsequently downgraded, a result that could be later contested by staff concerned in view of their acquired rights;

(b) It was expected that the Secretary-General would subsequently implement the reclassifications recommended for the Security Service and trades and crafts categories and for those General Service posts that had been classified identically by the United Nations Classification Section, CRG and the Joint Advisory Committee (JAC) and approved by him;

(c) The Commission considered that some 900 remaining General Service posts, including Conference Services-related posts, that had not been classified identically by the parties concerned should be reviewed further with the assistance of independent professional classification specialists. As detailed information was now available on the work of the CRG, it was expected that the further review could be carried out within a few months, for example on the basis of a selected sample of the problem jobs, including Conference Services-related posts. The Commission hoped that this question could be settled as soon as possible, since it had already taken four years and affected a large number of staff;

(d) With regard to the establishment of the link between Public Information Assistants and the General Service category, on which a proposal had been received

by the Commission during its twenty-third session, the Commission delegated that matter to its Chairman for decision prior to its twenty-fourth session.

173. Subsequently, after review of the information submitted to the Commission on Public Information Assistants, the Chairman recommended to the Secretary-General that he continue to apply the separate salary scales of this group of staff and make another effort to find outside job matches at the time of the next salary survey in view of doubts about the applicability of the General Service classification standard to these posts.

B. Development of classification standards for the General Service at Baghdad and Santiago

174. At its twenty-third session (March 1986), the Commission considered a progress report on the development of classification standards for the General Service at Baghdad and Santiago.

Views of the organizations

175. The representative of the United Nations regretted that complete information had not been available at an earlier date and hoped that interim reports on both exercises would be available for submission to the Commission at its twenty-fourth session.

Views of the staff representatives

176. The President of FICSA was satisfied by the staff participation in the exercise in Santiago and hoped that staff in Baghdad would also participate fully in the development of classification standards.

177. The Convenor of CCISUA expressed, on behalf of the staff of the Economic and Social Commission for Western Asia (ESCWA), Baghdad, their satisfaction with the progress thus far achieved in the development of a classification standard and related procedures, while expressing the hope that the schedule of work would proceed in a more timely fashion.

Discussion by the Commission

178. The Commission noted the lack of progress with respect to Baghdad and regretted that the information on the actual progress made had reached it so late that it had not been possible to take it into account before discussion of the item.

Conclusions of the Commission

179. The Commission:

(a) Noted the slow progress made in Baghdad;

(b) Noted that in Santiago the Joint Inter-Agency Committee was adhering to the relevant guidelines and criteria established by the Commission;

(c) Reiterated its request to the United Nations that it arrange for the timely submission of draft standards for Santiago and Baghdad, together with interim reports on their development;

(d) Noted that full reports on the job classification exercise in Santiago and Baghdad would be submitted to the Commission for consideration at its twenty-fifth session in February/March 1987.

C. Development of classification standards for the General Service in small- and medium-sized field duty stations

180. At its twenty-third session, the Commission considered benchmark job descriptions proposed for the General Service in small- and medium-sized field duty stations. These were presented to the Commission for consideration and promulgation on the understanding that they would be regarded as an initial phase of promulgation of classification standards for the General Service staff in such duty stations.

Views of the organizations

181. The Chairman of CCAQ pointed out that additional benchmarks might be developed later as appropriate. Since not all jobs could be covered, the organizations had decided to develop a support standard to supplement the benchmarks in such cases as composite or mixed jobs and one-of-a-kind jobs occurring in only one organization.

Views of the staff representatives

182. The President of FICSA supported the promulgation, with immediate effect, of the benchmark standards and considered that, in due course, additional benchmarks should be developed.

183. The Convenor of CCISUA recalled his Committee's previous support for the exercise and urged that the further work required in developing the standards should be completed.

Decisions of the Commission

184. The Commission decided:

(a) To promulgate, with immediate effect, the benchmark standards developed for the General Service in small- and medium-sized field offices;

(b) To note that the organizations were working on the development of a support (master) standard that would be used to complement the benchmarks in those cases where they did not provide adequate coverage;

(c) To invite the organizations to inform the Commission, on a regular basis, of progress made regarding the development of a uniform grade structure at all duty stations concerned and to submit to it guidelines on transitional measures for the implementation of a uniform grade structure at duty stations with a different grade structure;

(d) To invite the organizations to report to it on the relationship of National Professional Officers and the Extended General Service Level to the benchmark standards;

(e) To request the organizations to submit to the Commission for promulgation such additional benchmarks as might be required;

(f) To request the organizations to keep the Commission informed of matters related to the implementation and maintenance of the system.

D. Development of classification standards for the General Service and related categories at Vienna

185. In July 1986, the Commission considered the final report of the Vienna-based organizations on the development of job classification standards for the General Service and related categories at Vienna, which also included 22 benchmark job descriptions and classification standards submitted to the Commission for promulgation.

Views of the organizations

186. The representative of the International Atomic Energy Agency (IAEA) recalled the various processes that had led to the development of the standard, stating that the Vienna-based organizations had conducted a thorough and complete exercise in accordance with the ICSC criteria on job classification. He emphasized that the new standards had been developed on the basic premise that the results should not deviate substantially from the classifications and gradings under the current system, that the number and types of posts were adequately represented in the new standard and that there had been thorough testing and sampling. The representative cited the decision taken by the Commission at its twenty-second session that no overall reclassification exercise would be required provided that it could be shown that the confirmation rate of the new standards against those previously in use exceeded 85 per cent. In view of the results of both the validity and the reliability tests, which showed confirmation rates of 84 and 83 per cent respectively, he reiterated the request of the Vienna-based organizations that the standards be promulgated and that no further separate classification exercise be required.

187. The representative of the United Nations Industrial Development Organization (UNIDO) concurred that no additional overall classification exercise would be required prior to the next salary survey.

Views of the staff representatives

188. The representative of the staff of UNIDO, speaking on behalf of the staff of IAEA and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), considered that common job classification standards would ensure that equivalent work was equally remunerated. The co-operation between staff and administration in the development of the standards had taken place in an atmosphere of mutual trust and respect. However, since the application of standard factors required considerable judgement, appropriate appeal systems would be required in order to ensure the correct application of the standards. The staff representative nevertheless pointed out that, while the benchmark jobs provided a solid foundation for the standards, amendments to the benchmarks would have to be made for use in the next salary survey in the light of the job match requirements for the survey as had been done in the previous survey.

Discussion by the Commission

189. In discussing the proposed standards, the members of the Commission devoted particular attention to the number of grade levels and the use of level G-8 by the organizations, which they feared would set a precedent for other duty stations. It was confirmed that only seven actual grade levels were used, beginning at level M-3 (Manual Worker 3), which was the equivalent of G-2. Some members therefore expressed concern that the numbering of the levels in Vienna from G-2 to G-8 might lead to misunderstandings at other duty stations where the grade structure ran from level G-1 to G-7, and requested the Vienna-based organizations to study the possibility of renumbering the grade levels at some appropriate future time. One member of the Commission expressed concern at the use of the job classification system to accommodate the realities of local market situations.

Decisions of the Commission

190. The Commission decided:

(a) To promulgate the common classification standards for the General Service and related categories at Vienna;

(b) To request the Vienna-based organizations to develop some additional benchmark job descriptions for posts at the G-8 level;

(c) That no separate further classification exercise was required prior to the forthcoming salary survey, which had been scheduled for late 1987;

(d) To request the Vienna-based organizations to report to the Commission at its twenty-sixth session on the implementation of the new standards;

(e) To recommend that the Vienna-based organizations that they study the possibility of harmonizing in the future the grade levels into a G-1 to G-7 grade structure as in other headquarters duty stations.

CHAPTER VIII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

A. Recruitment policy

1. Use of rosters

191. In March 1986, the Commission considered a study that examined features of the roster system, including its function, criteria for inclusion and how rosters were maintained and updated. The study also surveyed the experience of organizations with respect to their roster systems, as well as the obstacles to effective roster-building.

Views of the organizations

192. The Chairman of CCAQ stated that, while the Committee agreed with most of the recommendations, most organizations would not consider it useful to establish a link between their individual roster codes and the Common Classification of Occupational Groups (CCOG), as they did not find the CCOG relevant to their needs. The organizations also found problematical the recommendation regarding recording an applicant's willingness to serve at a particular duty station, since it might prejudice opportunities at a later date.

Views of the staff representatives

193. The President of FICSA expressed the staff's concern that only the most qualified candidates should be recruited from outside the organizations to fill vacant posts. FICSA supported the ICSC secretariat's recommendations and considered that the Commission should encourage the organizations to seek sources for roster candidates. In particular, the number of women on the rosters should be increased. Information on the candidate's sex should be included, especially for rosters of field experts. Furthermore, staff of all nationalities, including those from over-represented countries, should figure on rosters in order to comply with the requirements of Article 101 of the Charter of the United Nations that candidates should meet the highest standards, geographical distribution being of secondary importance.

194. The Convenor of CCISUA said that the ICSC document represented an important step in evolving a more comprehensive approach to human resources planning, and that CCISUA endorsed all the recommendations in the study. CCISUA would, however, have liked to have seen greater reference to the use of rosters for internal as well as external candidates as part of a comprehensive career development plan. Following an internal search, rosters could be used effectively to achieve a better geographical and gender distribution through the recruitment of targeted groups.

Discussion by the Commission

195. Some members of the Commission were in favour of general recruitment missions, rather than those specifically related to roster-building, and one member expressed the view that recruitment missions should only be mounted when there were identified vacancies to fill. Certain other members suggested that the Commission should decide against the mounting of missions solely for the purpose of

roster-building. Members also agreed with CCAQ regarding the inappropriateness of the recommendation calling for applicants to indicate whether there were any duty stations where they would be unwilling to serve. It emerged during the discussion that UPU, IAEA and ITU did not keep strict recruitment rosters because of their practice of recruiting candidates nominated only by technical administrations or ministries. Some members expressed concern about that practice and suggested that the Commission should consider the issue with a view to formulating appropriate recommendations to the organizations concerned, after obtaining full details from those organizations.

Recommendations of the Commission

196. The Commission agreed:

(a) To request the organizations, with a view to improved human resources planning and inter-agency compatibility, to establish a link between the CCOG and their individual roster codes by making cross references to the CCOG;

(b) To request the organizations to consider adding to their personal history forms a question where applicants for specific posts could signify consent to being rostered for general consideration as well as to having their applications shared with other organizations;

(c) To recommend to the organizations that rigorous screening should precede the rostering of candidates so that only candidates who fully met all recruitment requirements were included in their rosters;

(d) To recommend to the organizations that had not already done so that they should re-examine their roster systems with a view to maintaining rosters that were realistic in size, manageable in terms of access and cost-effective;

(e) To recommend to the organizations that they should each integrate their internal roster systems to the extent possible so that coding and software programmes for searches were compatible within the same organization;

(f) To recommend to the organizations that they should encourage managers in substantive departments to eliminate departmental rosters and contribute valuable candidates to the main roster;

(g) To recommend that managers should have more direct access to the main organization roster and that, if necessary, training or briefing in the use of rosters should be offered for that purpose;

(h) To foster inter-agency co-operation by encouraging the organizations to exchange data on a regular basis, either by:

(i) Forwarding to other organizations the names of candidates who might not be suitable for one particular organization, but might be of interest to other organizations;

(ii) Recommending that, for both common and "difficult" fields of work, organizations should permit access to each others' computerized rosters and, in organizations where rosters were not computerized, establish a regular programme of exchanging information with other organizations;

(i) To recommend that, when carrying out recruitment missions, the organizations should interview candidates for existing and anticipated vacancies.

2. Equitable geographical distribution

197. In March 1986, the Commission had before it a document prepared by the secretariat of ICSC that summarized existing policies and practices in the organizations with respect to equitable geographical distribution. The secretariat did not consider it appropriate to enter into reflections on the validity of established criteria and what constituted desirable ranges for member States in organizations, but endeavoured instead to present certain conclusions with respect to recruitment measures, particularly for unrepresented member-States. An analysis of the barriers to the achievement of geographical distribution and of problems of over-representation was also provided.

Views of the organizations

198. The Chairman of CCAQ stated that the organizations found the document on equitable geographical distribution both interesting and informative. With regard to the recommendations, the organizations did not consider that the problem of non-representation of member States could best be solved by pooling their resources and developing a concerted inter-agency prospection programme, as such measures might not be appropriate to all unrepresented member States. According to CCAQ, general publicity, as advocated by the ICSC secretariat, generated many applications to which responses had to be provided, but rarely produced viable candidates. Recruitment missions might be useful in large countries with many candidates who could be interviewed, but in other countries these missions were not likely to be more useful than general publicity. Interns, fellows, junior professional officers and associate experts were all used in appropriate cases, but did not necessarily lend themselves for the purpose suggested of identifying and preparing candidates from unrepresented countries. The idea of initiating secondments for nationals of countries with limited cadres of qualified personnel would not, moreover, be consistent with the policies of some organizations.

Views of the staff representatives

199. The President of FICSA stated that, while the international civil service gained much strength from geographical distribution, undue emphasis on the requirement often blocked the recruitment of qualified staff; in fact, it had been mentioned by organizations as a reason for the low number of women at the policy and decision-making levels. FICSA noted with interest the findings of the ICSC secretariat that organizations within the United Nations system found it difficult to recruit staff from certain countries, since United Nations salaries did not compare favourably with the remuneration levels that nationals of those countries could expect when working abroad for their Governments or the private sector. The problem was particularly severe at duty stations with low or negative post adjustments, a problem which called for urgent solution by the Commission. At a time of financial stringency, only the most cost-effective recommendations of the ICSC secretariat should be endorsed. At the same time, sight should not be lost of the fact that, in order to recruit staff meeting the highest standards, salaries and pensions of the United Nations must be competitive.

200. The Convenor of CCISUA expressed his thanks to the secretariat for its analysis, which was extremely useful, as well as the Committee's full support for the recommendations contained in the document. Stronger measures, however, might be necessary if the organizations were to make successful progress in locating and recruiting qualified candidates among unrepresented or under-represented countries, and in particular in meeting the targets for improving the number of women candidates. Inter-agency co-operation could be cost-effective and also reduce reliance on governmental designees to fill posts. An issue that was not addressed, and to which CCISUA would be opposed, was the earmarking of specific posts for certain nationalities, since that might not result in selection of the most highly qualified candidates and might actively prevent candidates from having a broader spectrum of jobs from which to apply.

Discussion by the Commission

201. The Commission exchanged views on a number of questions suggested by the study prepared by the secretariat of ICSC and questioned what appeared to be the interchangeable use of the terms "unrepresented" and "under-represented" in certain parts of that document. The secretariat pointed out that where data had been provided from the organizations on under-representation, it was transmitted, and that consistent information had not, in fact, been provided. The secretariat reaffirmed that it referred only to facts reported by the organizations.

202. Some members of the Commission pointed out that, while efficiency, competence and integrity were indeed important factors in the recruitment of staff, geographical balance was by no means secondary, since it was that aspect that characterized the United Nations system. Some members noted from the secretariat's document that organizations were experiencing difficulties in recruiting staff from some of the major contributor countries whose nationals received a higher remuneration when working abroad for their own Governments or in the private sector than they did in the United Nations system. Others noted, however, that remuneration was not the sole factor contributing to such recruitment difficulties. It was also pointed out that the principles of the Charter of the United Nations calling for the highest standards of integrity contradicted the notion that pecuniary reward should be the primary motivation for employment with the United Nations.

Decision of the Commission

203. The Commission considered that, while it did not have a mandate to determine desirable ranges for the organizations, it wished, before deciding on final recommendations, to receive further information on under-represented and unrepresented countries in the United Nations system. It therefore requested its secretariat to gather such data from the organizations and to report thereon, with appropriate recommendations, to the Commission at its twenty-fifth session.

3. Report on progress made since the twenty-second session of the Commission in undertaking special measures for the recruitment of women

204. In July 1986, the Commission considered a document and note submitted by its secretariat on progress made since the twenty-second session of the Commission in undertaking special measures for the recruitment of women. The organizations were requested to report with respect to a series of recommendations on this

subject made by the Commission at its twenty-second session. The document contained a form suitable for monitoring purposes to be used by the organizations for future reporting on the subject.

Views of the organizations

205. The Chairman of CCAQ reported on a meeting of senior recruitment officers to discuss common prospection procedures and approaches. This meeting was organized by CCAQ at the request of ACC and was held at Geneva in May 1986. The meeting paid particular attention to the ways in which the organizations identified women candidates, co-operation in the exchange of roster data on women, means of developing additional recruitment sources and strengthening existing sources, evaluation of publicity campaigns and recruitment literature for target groups, measures to increase the number of women project personnel, obstacles to the placement of women candidates, review and possible revision of recruitment standards and appointment guidelines and administrative inducements and sanctions to overcome obstacles. The meeting proved useful in a number of ways, not least of which was the opportunity it afforded recruitment officers to meet with each other (some for the first time) and establish a working relationship. The organizations noted broad consistency between the recommendations made at the CCAQ recruitment meeting and those contained in the secretariat document. CCAQ further noted, with respect to the ICSC recommendation regarding the establishment of targets and sub-targets that, while only one organization accepted the idea of sub-targets, most organizations would have no difficulty in accepting the idea of targets on an organization-wide basis. With respect to the form proposed for monitoring purposes and the recommendation that CCAQ report separately on women staff in all categories of its annual personnel statistics, CCAQ suggested that the question be left for discussion between the secretariats of CCAQ and ICSC.

Views of the staff representatives

206. The President of FICSA expressed the appreciation of the staff for the Commission's leading and encouraging role in efforts to increase the number of Professional women in the international organizations. In order to achieve progress, the situation must be kept under continuous review. Organizations should therefore continue monitoring progress and report to the Commission at its twenty-sixth session. The General Assembly's recommendations offered concrete means to achieve equal participation of women in the work of the organizations, some of which had already taken active follow-up action. However, efforts had to be increased in the smaller, more technical organizations to search for qualified women candidates. Also, much remained to be done to obtain attitudinal changes. FICSA underlined the need to set targets for the achievement of goals and to measure progress. FICSA also stressed the need to establish a staff/management body to set goals, develop timetables, formulate action programmes and monitor progress in all organizations.

207. The Convenor of CCISUA recalled the Co-ordinating Committee's previous request that the issue be retained on the ICSC agenda as a standing item. He also requested that career development of women serving in the organizations be included because recruitment could not be viewed in isolation. CCISUA welcomed the recommendations that concrete targets should be set and effective monitoring mechanisms should be established, as well as those concerning the need for more training, especially for managers, on the issue of concern related to the work of women in the organizations. CCISUA regretted, however, that little attention had

been paid to the conditions of service of women once recruited or to the problems of women in the General Service category. Lastly, CCISUA requested that the work of the secretariat be expanded to include the issue mentioned above and that it remain as a standing item on the ICSC agenda.

Discussion by the Commission

208. The Commission noted the continuing importance of this issue and expressed its satisfaction that the subject was being given increasingly serious consideration by the organizations of the common system. In noting the effects of the current recruitment freeze in the United Nations, which was an across-the-board policy, the Commission expressed the hope that where exceptions to the freeze could be made, women would be selected. The Commission also noted an exchange between the President of FICSA and the Secretary of the UNJSPB, in which it was confirmed that there had been no women applicants from inside or outside the United Nations system for the post of Secretary of UNJSPB. Two members of the Commission raised questions regarding representation by recruitment personnel covering regular programme posts at the forthcoming National Recruitment Services (NRS) meeting in October 1986. It was explained that the NRS meeting was held on a biennial basis and might therefore provide an opportunity for recruitment officers to establish contacts and further develop recruitment sources.

Recommendations of the Commission

209. Having noted the views expressed above, the Commission agreed to recommend that:

(a) At the forthcoming National Recruitment Services meeting in October, the organizations should arrange for their representation not only by recruitment officers for technical assistance posts but also by senior recruitment personnel covering regular programme posts (this might also be reflected in the agenda);

(b) The organizations should actively continue their efforts to improve the participation of women by reaffirming commitment at the highest levels to the goal of increasing both the numbers of Professional women as well as their presence in senior decision-making and policy-level posts;

(c) The organizations that have already set targets should reassess them in the light of progress achieved and, if necessary, introduce sub-targets for individual units to facilitate monitoring; and that those organizations that have not established targets should do so;

(d) The organizations that have particular difficulty in recruiting and increasing the number of women on their staff should waive procedural criteria, as appropriate, along the lines of the action proposed by the Director-General of WHO; 16/

(e) Those organizations that reported that they were constrained by their size or the highly specialized nature of their mandate from carrying out the recommendations, but nevertheless continued to recruit and promote personnel, should make special efforts to improve the participation of women, as described in subparagraph (b) above;

(f) The organizations should institutionalize a monitoring function to measure progress and report, using as a model the form prepared by the ICSC secretariat, at regular intervals to the appropriate body identified for that purpose;

(g) CCAQ should report separately on women staff in all categories of its annual personnel statistics so that this information would be accessible to all organizations for monitoring purposes and would become part of the permanent record on this question;

(h) The organizations should report to the Commission at its twenty-sixth session on further progress achieved, with respect both to the recommendations made in 1985 and the above recommendations.

B. Performance appraisal and recognition of merit

210. The Commission considered a report by its secretariat on a number of aspects of performance appraisal and recognition of merit, as well as on the discussions of a tripartite working group convened by ICSC in April 1986. Existing performance appraisal systems and common areas of agreement among the organizations on improvements to be considered were reviewed. The document also described two different performance appraisal systems being considered by some organizations.

Views of the organizations

211. The Chairman of CCAQ reported the satisfaction of the organizations with the results of the working group. CCAQ would have liked the secretariat's document to have placed more emphasis on the problem of the lack of credibility of performance appraisal in general. The reason organizations had not used the performance appraisal form recommended by the Commission at its thirteenth session was that the approach did not deal with all the preoccupations of the organizations and touched on other aspects concerning which they had hesitations. While endorsing the conclusions outlined in the document, the organizations expressed reservations over the statement that performance appraisal was on the whole designed, implemented and managed by the personnel officers without the sufficient involvement of line managers. While the organizations did not wish to see the development of a comprehensive set of policies and guidelines as proposed by the secretariat, they would welcome the establishment of general principles by the Commission about performance appraisal. With respect to the recommendations, CCAQ was able to support a proposal to study the issue of recognition of merit, but was not generally supportive of the other recommendations. The organizations expressed reservations about the timing of further actions undertaken by the Commission on this subject.

212. The representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO) said that, for certain personnel actions, most organizations took into account performance appraisals. Indeed, the staff rules and regulations of many organizations referred to the satisfactory performance of staff members when considering such actions as salary increments, extensions of contracts, promotions, etc. Termination was usually based on poor performance and was subject to the appeals systems of the organizations. The question was rather whether

supervisors and managers could take performance reports at face value and, because of the current lack of credibility of performance reports, it appeared that only naive supervisors relied on them. As a consequence, UNESCO intended to try, on a two-year experimental basis, the approach to performance appraisal described in paragraphs 9 to 14 of the document of the secretariat that was before the Commission.

213. The representative of WHO pointed out that from 1978 to 1981 WHO abolished more than 300 posts. In doing so, WHO had used reduction-in-force procedures that involved a competition for retention among staff members. For staff members with equivalent qualifications and seniority, performance appraisal reports were the decisive element in the competition. While prior to 1978 performance appraisal had not been viewed as a major element on which an assessment could be made in WHO, it had become more relevant as a consequence of the reductions. In an organization like WHO, where most posts were filled on the basis of fixed-term contracts, credible performance reports were essential for renewals, particularly during the period of the first two-year contract of a staff member.

Views of the staff representatives

214. The representative of FICSA supported the conclusions of the ICSC working group on the need for the commitment of senior management to obtain effective and valid results in performance appraisal. Another important element was the participation of the staff concerned, which could only be obtained if they were aware of the impact of performance appraisal on career development and training and recognition of merit. The system applied should be transparent and simple in order to avoid complex procedures and appeals. FICSA supported the list of items identified by the secretariat for further study. The Commission should work out principles and guidelines for performance evaluation, linked to career development and recognition of merit. This would greatly enhance the motivation and efficiency of the staff.

215. The Convenor of CCISUA expressed satisfaction with the spirit of dialogue and consultation that had been initiated on the subject. Performance appraisal systems could not be developed in a vacuum, but must be seen within a context of systematic career development planning, which at present did not exist. The objective of the exercise should be limited to providing guidelines for performance appraisal and to providing suggestions for training of managers in performance appraisal. With respect to recognition of merit, CCISUA recalled that it had initiated a proposal for recognition of merit some time ago and had asked the Commission to direct the secretariat to take up the matter. This matter should be given priority in the secretariat's work programme.

Discussion by the Commission

216. The Commission noted that performance appraisal was both a difficult and important process that assumed particular significance in times of financial constraints. It was necessary to ensure that the best staff were rewarded and that appropriate actions were taken against unsatisfactory staff. The Commission noted the need for the active involvement in and commitment of top management to performance appraisal and confirmed the responsibility of top management for its correct application.

Decisions of the Commission

217. The Commission reaffirmed the general principles and objectives of performance appraisal as identified by the Commission in its sixth 17/ and seventh 18/ annual reports and decided to request its secretariat:

(a) To develop a broad framework of principles, providing organizations with general objectives and guidance for performance appraisal, for consideration by the Commission at its twenty-sixth session;

(b) To identify consequences for staff of different levels of performance, including appropriate recognition of merit, to provide guidance for staff to improve performance and to recommend sanctions for unsatisfactory performance, for review by the Commission at its twenty-sixth session;

(c) To examine the application of performance appraisal within the broader context of human resources planning in order to ensure that the talents of staff were best used and developed to enable the organizations to carry out their mandates efficiently and effectively and to submit a report thereon to the Commission for consideration at its twenty-eighth session.

CHAPTER IX

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation/consideration of the Commission's recommendations and decisions

218. The Commission had before it a detailed summary of recent action taken by organizations of the common system in response to the decision and recommendations of the Commission made in its tenth annual report. The document also provided updated information about actions taken by organizations that had previously been unable to implement fully earlier decisions and recommendations of the Commission. The secretariat proposed that the Commission take up article 15 of its statute on the development of common staff regulations.

Views of the organizations

219. The Chairman of CCAQ recalled earlier statements to the effect that the entire process of monitoring compliance with the Commission's recommendations and decisions need not be an annual exercise. In some of the smaller organizations, completing comprehensive questionnaires such as the one circulated by the secretariat was an extremely heavy burden. However, should the Commission wish to monitor implementation on an annual basis, some consideration might be given to dividing items into categories, some of which would be reported annually, while others could be reported every two, or possibly every three, years. For items where a straight yes/no answer could be given, a checklist should be drawn up. CCAQ did not consider the Commission's responsibilities under article 15 of its statute a very high priority; the Chairman suggested in that regard that the first step should be an updating by the organizations of the comparative study of staff regulations undertaken by CCAQ in 1978. As to the need for representatives of the Commission to participate in the meetings of the governing bodies of common system organizations whenever decisions and recommendations of the Commission were considered, CCAQ noted that in some organizations such matters were dealt with briefly. Should the Commission decide to adopt the proposal, the organizations would bring it to the attention of their legislative bodies.

220. The representative of UPU considered that paragraph 11 of the document prepared by the secretariat was inaccurate in stating that UPU action to implement a system of compensating its staff for currency losses had been done without consultation. The representative pointed out that the problem had been presented to ICSC as long ago as 1979 when correspondence was exchanged between the Chairman of the ICSC and UPU on the matter, and yet the matter had remained unresolved.

221. The representative of ILO said that his organization had begun on 1 April 1986 to apply the new higher rates for separation payments that had not yet been promulgated. ILO was obliged by its regulations to modify the rates based on changes in the weighted average of post adjustments index - regardless of whether the Commission promulgated new rates. In this connection, the representative of WMO stated that WMO had not implemented new rates, but hoped that the new rates would be promulgated as soon as possible.

Views of the staff representatives

222. The representative of FICSA reserved FICSA's position on the substance of the document, pending study of the information provided by the membership of FICSA. FICSA regretted the organizations' reluctance to implement the Commission's recommendation, endorsed by the General Assembly, to determine a desirable proportion of career and fixed-term staff and the granting of career appointments. Efforts should be increased to implement the Commission's recommendations in the areas of human resource planning, career development and training. Time and effort spent by the Commission in those areas did not appear effective. A study on harmonizing staff regulations in the United Nations system was not a priority for the Commission and would be of benefit only if it were not oriented towards applying the lowest common denominator on a system-wide basis. The organizations should be able to retain the necessary flexibility within the overall framework of the system. FICSA requested the Commission to study, in 1987, the problems of the UNRWA area staff at Vienna, who, although being international civil servants, did not benefit from the common system conditions of service applicable to other United Nations staff at Vienna.

223. The Convenor of CCISUA considered the monitoring role of the Commission an extremely important aspect of its work in order to ensure consistency and adequate follow-up by the organizations of the common system.

Discussion by the Commission

224. Several members of the Commission reiterated the importance of the Commission's monitoring role. While they agreed with CCAQ that it was probably not necessary to report on every single item at every session of the Commission, it was also important that the Commission should not have to rely on chance to find out what organizations were doing to implement important common system issues. In that respect, several members supported representation by the Commission at meetings of the legislative bodies of organizations in those instances when it was invited by the legislative body, when funds were available and when there were strong indications that the Commission's presence was necessary.

Decisions of the Commission

225. The Commission reaffirmed the importance of monitoring the implementation by organizations of its decisions and recommendations and decided:

(a) To assume its functions under article 15 of its statute and to request its secretariat to conduct a study on the harmonization of staff regulations of organizations of the common system and to provide a preliminary report thereon to the Commission at its twenty-sixth session;

(b) To emphasize to the organizations the need for its representatives to participate in selected meetings of the governing bodies of common system organizations whenever decisions and recommendations of the Commission were placed before them for consideration, particularly in instances when the working papers did not adequately explain the views of the Commission and the importance and rationale for the decision or recommendation;

(c) To propose to the Director-General of the World Intellectual Property Organization (WIPO), which had not been represented at the current session of the Commission when it had discussed the effects of currency fluctuations on take-home pay of professional staff in local currency, that he request the governing bodies of WIPO to review this question at their forthcoming session in September 1986 and to invite the Commission to be represented at that session;

(d) To request its secretariat to report on implementation by the organizations annually, as required by the Statute, but with the organizations submitting detailed information only every three years, while still drawing the Commission's attention to important unresolved issues in the meantime, in particular, in personnel policies.

Notes

1/ International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, World Health Organization, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, Inter-Governmental Maritime Consultative Organization (now International Maritime Organization), World Intellectual Property Organization and International Atomic Energy Agency.

2/ General Agreement on Tariffs and Trade and International Fund for Agricultural Development.

3/ Official Records of the General Assembly, Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1).

4/ Ibid., paras. 17-42.

5/ Ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), para. 47.

6/ Ibid., Fortieth Session, Supplement No. 30, (A/40/30 and Corr.1), annex I.

7/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30), para. 167.

8/ Ibid., Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), para. 117.

9/ Ibid., para. 118.

10/ Ibid., para. 65.

11/ ICSC/24/R.22. (ICSC/R. series documents are available for consultation through the ICSC secretariat.)

12/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), para. 146.

13/ Ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 83-85.

14/ The mandatory age of separation from service in the Food and Agriculture Organization of the United Nations is 62.

15/ ICSC/R.206; and Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 299-310.

16/ Memorandum dated 23 May 1986, from the Director-General of the World Health Organization to the Directors and Programme Managers on Participation and Employment of Women in WHO.

17/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30 and Corr.1 and 2), paras. 266-281.

18/ See ICSC/267, paras. 172-187 and annex VII; and Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), paras. 217-226 and annex X.

ANNEX I

Proposed scale of staff assessment for the Professional and higher categories(Effective 1 April 1987)

Gross salary bracket	Gross salary level	For staff with dependants				For staff without dependants			
		Percentage rate	Amount of assessment	Cumulative amount	Cumulative percentage	Percentage rate	Amount of assessment	Cumulative amount	Cumulative percentage
First 15 000	15 000	10.0	1 500	1 500	10.0	14.0	2 100	2 100	14.0
Next	5 000	25.0	1 250	2 750	13.8	32.5	1 625	3 725	18.6
	5 000	28.0	1 400	4 150	16.6	33.8	1 690	5 415	21.7
	5 000	30.0	1 500	5 650	18.8	35.8	1 790	7 205	24.0
	5 000	32.0	1 600	7 250	20.7	38.1	1 905	9 110	26.0
	10 000	34.0	3 400	10 650	23.7	41.3	4 130	13 240	29.4
	10 000	36.0	3 600	14 250	25.9	42.7	4 270	17 510	31.8
	10 000	38.0	3 800	18 050	27.8	44.0	4 400	21 910	33.7
	15 000	40.0	6 000	24 050	30.1	46.6	6 990	28 900	36.1
	20 000	42.0	8 400	32 450	32.5	52.1	10 420	39 320	39.3
Over 100 000		44.0				53.5			

ANNEX II

Illustration of the application of the procedure recommended by the
Commission for the determination of pensionable remuneration of
United Nations officials in grades P-1 to D-2

1. The total remuneration of a P-4, step I, staff member in New York is \$44,938.
2. Of the remuneration amount, 96 per cent corresponds to \$43,141.
3. Of the \$43,141, 46.25 per cent corresponds to \$19,953.
4. It is assumed that the net pension of a P-4, step I, staff member after 25 years of service would be \$19,953, and the corresponding gross pension amount after the application of staff assessment rates shown in annex I would be \$23,754.
5. The amount of pensionable remuneration required to produce a gross pension benefit of \$23,754 after 25 years of contributory service is \$51,359.

Note: A P-4, step I, remuneration level is used in this example for illustrative purposes only, it being understood that a staff member would not receive that remuneration amount for the entire three-year period that would be used to calculate the final average remuneration (FAR).

ANNEX III

Proposed scale of pensionable remuneration for the Professional and higher categories

(United States dollars)

(Effective 1 April 1987)

Level	S t e p s												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
USG/ASG	97 507												
D-2	82 073	84 136	86 208	88 308									
D-1	71 318	73 094	74 826	76 618	78 402	80 193	81 924						
P-5	63 688	65 117	66 533	67 922	69 370	70 729	72 170	73 579	74 993	76 395			
P-4	51 359	52 797	54 243	55 692	57 235	58 603	59 967	61 333	62 765	64 312	65 821	67 290	
P-3	41 709	43 081	44 432	45 743	47 123	48 524	49 943	51 323	52 553	53 748	55 004	56 232	57 527
P-2	33 554	34 718	35 830	36 970	38 112	39 250	40 395	41 506	42 648	43 813	44 965		
P-1	26 459	27 369	28 284	29 186	30 097	31 007	31 950	32 881	33 918	34 932			

ANNEX IV

Pension benefits of United Nations and United States officials

(United States dollars)

Pension benefits that would be earned by United Nations officials at the end of 20, 25, 30 and 35 (maximum) years of service, using the benefit accumulation formula for those who joined the system on or after 1 January 1983, are shown under part A. Pension benefits of United Nations officials, calculated using the benefit accumulation formula, for those who joined the system prior to 1 January 1983, are shown under part B. Only one benefit accumulation formula applies in the case of United States federal civil service employees. The benefit accumulation formula for United States federal civil service employees and that for United Nations officials who joined the system on or after 1 January 1983 are identical for up to 35 years of contributory service. Pension benefits of United States federal civil service officials calculated at the end of 20, 25, 30 and 35 years of service along with the maximum pension benefits that would be earned are shown under part C. In all cases pension benefits have been calculated on the basis of the current levels of pensionable remuneration at the top step of each grade.

A. For United Nations officials (using new benefit accumulation formula)

<u>Grade</u>	<u>Pensionable Remuneration</u>	<u>20 years (36.25%)</u>	<u>25 years (46.25%)</u>	<u>30 years (56.25%)</u>	<u>35 years (66.25%)</u>
P-1	37 400	13 557	17 297	21 037	24 777
P-2	47 900	17 364	22 154	26 944	31 734
P-3	62 200	22 547	28 767	34 987	41 207
P-4	70 900	25 701	32 791	39 881	46 971
P-5	83 900	30 414	38 804	47 194	55 584
D-1	87 900	31 864	40 654	49 444	58 234
D-2	92 400	33 495	42 735	51 975	61 215
ASG	103 900	37 664	48 054	58 444	62 340 <u>a/</u>
USG	115 700	41 941	53 511	65 081	69 420 <u>a/</u>

B. For United Nations officials (using old benefit accumulation formula)

<u>Grade</u>	<u>Pensionable Remuneration</u>	<u>20 years (40%)</u>	<u>25 years (50%)</u>	<u>30 years (60%)</u>	<u>35 years (65%)</u>
P-1	37 400	14 960	18 700	22 440	24 310
P-2	47 900	19 160	23 950	28 740	31 135
P-3	62 200	24 880	31 100	37 320	40 430
P-4	70 900	28 360	35 450	42 540	46 085
P-5	83 900	33 560	41 950	50 340	54 535
D-1	87 900	35 160	43 950	52 740	57 135
D-2	92 400	36 960	46 200	55 440	60 060
ASG	103 900	41 560	51 950	62 340	62 340 ^{a/}
USG	115 700	46 280	57 850	69 420	69 420 ^{a/}

C. For United States officials

<u>Grade</u>	<u>Pensionable Remuneration</u>	<u>20 years (36.25%)</u>	<u>25 years (46.25%)</u>	<u>30 years (56.25%)</u>	<u>35 years (66.25%)</u>	<u>Maximum (80%)</u>
GS-9	28 347	10 276	13 110	15 945	18 780	22 678
GS-10	31 211	11 314	14 435	17 556	20 677	24 969
GS-11	34 292	12 431	15 860	19 289	22 718	27 434
GS-12	41 105	14 901	19 011	23 122	27 232	32 884
GS-13	48 876	17 718	22 605	27 499	32 380	39 100
GS-14	57 759	20 938	26 714	32 489	38 265	46 207
GS-15	67 940	24 628	31 422	38 216	45 010	54 352
GS-16	68 700	24 904	31 774	38 644	45 514	54 960
GS-17	68 700	24 904	31 774	38 644	45 514	54 960
GS-18	68 700	24 904	31 774	38 644	45 514	54 960
SES-1	61 296	22 210	28 349	34 479	40 609	49 037
SES-2	63 764	23 114	29 491	35 867	42 244	51 011
SES-3	66 232	24 009	30 632	37 255	43 879	52 986
SES-4	68 700	24 904	31 774	38 644	45 514	54 960
SES-5	70 500	25 556	32 606	39 656	46 706	56 400
SES-6	72 300	26 209	33 439	40 611	47 899	57 840

^{a/} In accordance with General Assembly resolution 40/245 of 18 December 1985, annex.

ANNEX V

Comparisons of United Nations/United States pension benefits: United Nations pensions expressed as a percentage of United States pensions

In part A of this annex, pension benefits of United Nations officials who joined the system on or after 1 January 1983 are compared with those of the United States federal civil service employees. In part B, the results of the comparisons of pension benefits of United Nations officials who joined the system prior to 1 January 1983 with those of United States federal civil service employees are provided. All comparisons are in terms of United Nations pension benefits at grades P-1 through D-2, expressed as percentages of pension benefits of United States federal civil service employees in comparable grades. Grade equivalencies used by the Commission in carrying out net remuneration margin comparisons have been used.

A. Based on the new benefit accumulation formula for the United Nations

<u>Grade</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>Maximum</u>
(Percentage)					
P-1	132	132	132	132	110
P-2	130	130	130	130	108
P-3	137	137	137	137	114
P-4	129	129	129	129	107
P-5	124	124	124	124	102
D-1	130	130	130	130	107
D-2	133	133	133	133	110

B. Based on the old benefit accumulation formula for the United Nations

<u>Grade</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>Maximum</u>
(Percentage)					
P-1	146	143	141	130	107
P-2	143	139	139	127	106
P-3	151	147	146	135	111
P-4	143	140	138	127	105
P-5	136	134	132	121	100
D-1	152	140	138	127	105
D-2	147	144	142	131	108

ANNEX VI

Comparison of gross pensions for United Nations and United States officials expressed as a percentage of net remuneration

Gross pension benefits expressed as percentages of net remuneration for United Nations grades P-1 through D-2 and the United States federal civil service grades GS-9 through GS-18 and SES-1 through SES-6 are shown in this annex. Ideally, these comparisons should be carried out on the basis of gross pensions as percentages of gross remuneration or net pensions as percentages of net remuneration amounts. However, for reasons outlined in the Commission's fifth annual report to the General Assembly, a/ all calculations are carried out on the basis of gross pension benefits expressed as percentages of net remuneration.

A. For United Nations officials

(a) <u>Using new benefit accumulation formula</u>					(b) <u>Using old benefit accumulation formula</u>			
<u>Grade</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>
	(Percentage)				(Percentage)			
P-1	41.9	53.5	65.0	76.6	46.2	57.8	69.3	75.1
P-2	43.3	55.2	67.1	79.1	47.7	59.7	71.6	77.6
P-3	45.6	58.1	70.7	83.3	50.3	62.8	75.4	81.7
P-4	45.4	58.0	70.5	83.0	50.1	62.7	75.2	81.5
P-5	48.3	61.6	74.9	88.2	53.3	66.6	79.9	86.6
D-1	47.7	60.9	74.0	87.2	52.6	65.8	79.0	85.5
D-2	47.1	60.0	73.0	86.0	51.9	64.9	77.9	84.4

a/ Official records of the General Assembly, Thirty-fourth Session, Supplement No. 30, (A/34/30), para. 57.

B. For United States federal civil service employees

<u>Grade</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>Maximum</u>
(Percentage)					
GS-9	42.5	54.2	65.9	77.6	93.7
GS-10	42.8	54.6	66.5	78.3	94.5
GS-11	43.2	55.1	67.0	78.9	95.3
GS-12	43.8	55.9	68.0	80.1	96.7
GS-13	44.4	56.6	68.9	81.1	97.9
GS-14	46.5	59.3	72.1	84.9	102.6
GS-15	47.0	60.0	73.0	85.9	103.8
GS-16	47.1	60.1	73.1	86.1	104.0
GS-17	47.1	60.1	73.1	86.1	104.0
GS-18	47.1	60.1	73.1	86.1	104.0
SES-1	45.2	57.6	70.1	82.6	99.7
SES-2	45.3	57.8	70.3	82.8	99.9
SES-3	45.6	58.2	70.8	83.3	100.6
SES-4	45.9	58.6	71.3	83.9	101.4
SES-5	46.1	58.9	71.6	84.3	101.8
SES-6	46.3	59.1	71.9	84.7	102.2

ANNEX VII

Comparison of pensionable remuneration amounts as at 1 January 1987

(United States dollars)

Pensionable remuneration amounts at the top step of each grade from the scale recommended in annex III are shown in part A. In part B, gross salaries (pensionable remuneration) at the top step of each grade of United States federal civil service employees, which would be in effect from 1 January 1987, are shown. Pensionable remuneration amounts for United Nations officials in grades P-1 through D-2 expressed as percentages of the pensionable remuneration amounts for United States federal civil service employees in comparable grades as of 1 April 1987 are shown in part C. A weighted average ratio of 118 is obtained on the basis of the ratios applicable at grades P-1 through D-2.

A. Pensionable remuneration amounts at top step of each grade for United Nations officials using scale shown in annex III

<u>Grade</u>	<u>Pensionable remuneration</u>	<u>Grade</u>	<u>Pensionable remuneration</u>	<u>Grade</u>	<u>Pensionable remuneration</u>	<u>Grade</u>	<u>Pensionable remuneration</u>
	\$US		\$US		\$US		\$US
P-1	34 932	P-3	57 527	P-5	76 395	D-2	88 308
P-2	44 965	P-4	67 290	D-1	81 924		

B. Gross salaries (pensionable remuneration) at top step of each grade of United States federal civil service employees as at 1 January 1987

<u>Grade</u>	<u>Gross salary</u>	<u>Grade</u>	<u>Gross salary</u>	<u>Grade</u>	<u>Gross salary</u>	<u>Grade</u>	<u>Gross salary</u>
	\$US		\$US		\$US		\$US
GS-9	29 197	GS-13	50 342	GS-17	70 761	SES-3	68 219
GS-10	32 147	GS-14	59 492	GS-18	70 761	SES-4	70 761
GS-11	35 321	GS-15	69 978	SES-1	63 135	SES-5	72 615
GS-12	42 338	GS-16	70 761	SES-2	65 677	SES-6	74 469

C. Comparison of proposed scale of pensionable remuneration for United Nations officials with that for United States federal civil service employees

<u>Grade</u>	<u>Ratio</u>	<u>Grade</u>	<u>Ratio</u>	<u>Grade</u>	<u>Ratio</u>	<u>Grade</u>	<u>Ratio</u>
	%		%		%		%
P-1	120	P-3	123	P-5	109	D-2	124
P-2	118	P-4	119	D-1	117		

Weighted average ratio: 118

ANNEX VIII

Pension benefits of United Nations and United States officials using scales of pensionable remuneration as at 1 January 1987

(All calculations at the top step of each grade on both sides)

(United States dollars)

A. Pension benefits of United Nations officials using new benefit accumulation formula

<u>Grade</u>	<u>Pensionable remuneration</u>	<u>20 years (36.25%)</u>	<u>25 years (46.25%)</u>	<u>30 years (56.25%)</u>	<u>35 years (66.25%)</u>
P-1	34 932	12 663	16 156	19 649	23 142
P-2	44 965	16 300	20 796	25 293	29 789
P-3	57 527	20 854	26 606	32 359	38 112
P-4	67 290	24 393	31 122	37 851	44 580
P-5	76 395	27 693	35 333	42 972	50 612
D-1	81 924	29 697	37 890	46 082	54 275
D-2	88 308	32 012	40 842	49 673	58 504

B. Pension benefits of United Nations officials using old benefit accumulation formula

<u>Grade</u>	<u>Pensionable remuneration</u>	<u>20 years (40%)</u>	<u>25 years (50%)</u>	<u>30 years (60%)</u>	<u>35 years (65%)</u>
P-1	34 932	13 973	17 466	20 959	22 706
P-2	44 965	17 986	22 483	26 979	29 227
P-3	57 527	23 011	28 764	34 516	37 393
P-4	67 290	26 916	33 645	40 374	43 739
P-5	76 395	30 558	38 198	45 837	49 657
D-1	81 924	32 770	40 962	49 154	53 251
D-2	88 308	35 323	44 154	52 985	57 400

C. Pension benefits of United States federal civil
service employees

<u>Grade</u>	<u>Pensionable remuneration</u>	<u>20 years (36.25%)</u>	<u>25 years (46.25%)</u>	<u>30 years (56.25%)</u>	<u>35 years (66.25%)</u>	<u>Maximum (80%)</u>
GS-9	29 197	10 584	13 504	16 423	19 343	23 358
GS-10	32 147	11 653	14 868	18 083	21 297	25 718
GS-11	35 321	12 804	16 336	19 868	23 400	28 257
GS-12	42 338	15 348	19 581	23 815	28 049	33 870
GS-13	50 342	18 249	23 283	28 317	33 352	40 274
GS-14	59 492	21 566	27 515	33 464	39 413	47 594
GS-15	69 978	25 367	32 365	39 363	46 360	55 982
GS-16	70 761	25 651	32 727	39 803	46 879	56 609
GS-17	70 761	25 651	32 727	39 803	46 879	56 609
GS-18	70 761	25 651	32 727	39 803	46 879	56 609
SES-1	63 135	22 886	29 200	35 513	41 827	50 406
SES-2	65 677	23 808	30 376	36 943	43 135	52 542
SES-3	68 219	24 729	31 551	38 373	45 195	54 575
SES-4	70 761	25 651	32 727	39 803	46 879	56 609
SES-5	72 615	26 323	33 584	40 846	48 107	58 092
SES-6	74 469	26 995	34 442	41 889	49 336	59 575

D. Comparisons of pension benefits of United Nations officials
as shown in A and B above with those of United States
federal civil service employees as shown in C

(United Nations pensions expressed as a percentage of
United States pensions)

<u>Grade</u>	<u>New benefit formula</u>					<u>Old benefit formula</u>				
	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>Maximum</u>	<u>20 years</u>	<u>25 years</u>	<u>30 years</u>	<u>35 years</u>	<u>Maximum</u>
	(Percentage)					(Percentage)				
P-1	120	120	120	120	99	132	129	128	117	97
P-2	118	118	118	118	105	131	128	126	116	103
P-3	123	123	123	123	102	136	133	131	121	100
P-4	119	119	119	119	95	132	129	127	117	94
P-5	109	109	109	109	91	121	118	117	107	89
D-1	117	117	117	117	97	129	127	125	115	95
D-2	124	124	124	124	102	136	134	132	121	100

ANNEX IX

Gross pensions as percentages of net remuneration for United Nations officials using the proposed scale of pensionable remuneration

Gross pensions of United Nations officials, calculated using the proposed pensionable remuneration scale, expressed as percentages of net remuneration are shown in this annex. Similar comparisons for United States federal civil service employees have not been carried out. It is assumed that percentages of gross pensions to net remuneration for the United States federal civil service employees as shown under part B of annex VI would, grasso modo, continue to remain in effect.

<u>Grade</u>	<u>New benefit formula</u>				<u>Old benefit formula</u>			
	<u>20</u> <u>years</u>	<u>25</u> <u>years</u>	<u>30</u> <u>years</u>	<u>35</u> <u>years</u>	<u>20</u> <u>years</u>	<u>25</u> <u>years</u>	<u>30</u> <u>years</u>	<u>35</u> <u>years</u>
	(Percentage)				(Percentage)			
P-1	39.1	49.9	60.7	71.5	43.2	54.0	64.8	70.2
P-2	40.6	51.8	63.0	74.2	44.8	56.0	67.2	72.8
P-3	42.1	53.8	65.4	77.0	46.5	58.1	69.7	75.6
P-4	43.1	55.0	66.9	78.8	47.6	59.5	71.4	77.3
P-5	44.0	56.1	68.2	80.3	48.5	60.6	72.8	78.8
D-1	44.5	56	69.0	81.3	49.1	61.3	73.6	79.7
D-2	45.0	57.4	69.8	82.2	49.6	62.0	74.4	80.6

ANNEX X

Salary scales for the Professional and higher categories showing annual gross salaries
and net equivalents after application of staff assessment

(Effective 1 April 1987)

S t e p s													
Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
Under-Secretary-General													
USG GROSS	94 802												
NET D	64 535												
NET S	58 290												
Assistant Secretary-General													
ASG GROSS	85 609												
NET D	59 203												
NET S	53 887												
Director													
D-2 GROSS	69 093	70 819	72 561	74 336									
NET D	49 406	50 441	51 487	52 552									
NET S	45 376	46 297	47 228	48 175									
Principal Officer													
D-1 GROSS	59 373	60 972	62 551	64 140	65 739	67 340	68 895						
NET D	43 461	44 453	45 432	46 417	47 393	48 354	49 287						
NET S	40 039	40 934	41 819	42 708	43 585	44 440	45 270						
Senior Officer													
P-5 GROSS	52 718	54 003	55 261	56 511	57 778	59 023	60 276	61 521	62 775	64 016			
NET D	39 290	40 112	40 912	41 687	42 472	43 244	44 021	44 793	45 571	46 340			
NET S	36 282	37 019	37 736	38 436	39 146	39 843	40 545	41 242	41 944	42 639			
First Officer													
P-4 GROSS	42 356	43 575	44 795	46 038	47 313	48 518	49 718	50 918	52 178	53 455	54 686	55 901	
NET D	32 605	33 409	34 215	35 014	35 830	36 602	37 369	38 137	38 944	39 761	40 549	41 308	
NET S	30 282	31 009	31 738	32 455	33 185	33 876	34 563	35 251	35 973	36 705	37 410	38 095	
Second Officer													
P-3 GROSS	34 329	35 480	36 625	37 736	38 877	40 040	41 202	42 340	43 377	44 398	45 448	46 500	47 573
NET D	27 294	28 067	28 822	29 556	30 309	31 077	31 843	32 594	33 279	33 953	34 637	35 310	35 997
NET S	25 475	26 177	26 860	27 523	28 205	28 899	29 593	30 272	30 891	31 501	32 117	32 719	33 334
Associate Officer													
P-2 GROSS	27 608	28 533	29 451	30 382	31 337	32 284	33 239	34 181	35 136	36 117	37 082		
NET D	22 675	23 323	23 965	24 610	25 259	25 903	26 553	27 193	27 840	28 487	29 124		
NET S	21 259	21 853	22 443	23 031	23 623	24 209	24 800	25 383	25 971	26 557	27 133		
Assistant Officer													
P-1 GROSS	20 953	21 816	22 690	23 542	24 408	25 282	26 192	27 056	27 905	28 725			
NET D	17 936	18 557	19 187	19 800	20 424	21 047	21 684	22 289	22 883	23 458			
NET S	16 906	17 477	18 056	18 620	19 193	19 766	20 350	20 905	21 450	21 976			

D = Rate applicable to staff members with a dependent spouse or child.

S = Rate applicable to staff members with no dependent spouse or child.

ANNEX XI

Separation payments (commutation of annual leave, repatriation grant, death grant and termination indemnities)Gross and net amounts - Professional and higher categories

(United States dollars)

(Effective 1 April 1987)

S t e p s													
Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
Under-Secretary-General													
USG GROSS	93 979												
NET D	64 058												
NET S	57 896												
Assistant Secretary-General													
ASG GROSS	85 043												
NET D	58 875												
NET S	53 616												
Director													
D-2 GROSS	68 851	70 555	72 310	74 093									
NET D	49 261	50 283	51 336	52 406									
NET S	45 246	46 156	47 094	48 046									
Principal Officer													
D-1 GROSS	58 909	60 537	62 153	63 766	65 403	67 041	68 625						
NET D	43 174	44 183	45 185	46 185	47 192	48 175	49 125						
NET S	39 779	40 691	41 596	42 499	43 405	44 280	45 126						
Senior Officer													
P-5 GROSS	52 270	53 570	54 837	56 095	57 359	58 627	59 883	61 141	62 411	63 667			
NET D	39 003	39 835	40 646	41 429	42 213	42 999	43 778	44 558	45 345	46 124			
NET S	36 026	36 771	37 497	38 203	38 911	39 621	40 324	41 029	41 740	42 444			
First Officer													
P-4 GROSS	42 287	43 513	44 677	45 860	47 059	48 282	49 454	50 623	51 853	53 085	54 287	55 461	
NET D	32 560	33 369	34 137	34 901	35 668	36 451	37 201	37 949	38 736	39 525	40 294	41 036	
NET S	30 240	30 972	31 667	32 353	33 040	33 741	34 412	35 082	35 787	36 493	37 181	37 848	
Second Officer													
P-3 GROSS	34 460	35 575	36 686	37 806	38 957	40 075	41 184	42 280	43 318	44 310	45 300	46 298	47 321
NET D	27 383	28 130	28 863	29 602	30 362	31 100	31 832	32 555	33 240	33 895	34 542	35 181	35 836
NET S	25 556	26 233	26 897	27 565	28 252	28 920	29 582	30 236	30 856	31 448	32 032	32 604	33 190
Associate officer													
P-2 GROSS	27 758	28 690	29 628	30 569	31 492	32 423	33 376	34 322	35 256	36 200	37 137		
NET D	22 781	23 433	24 090	24 737	25 365	25 998	26 646	27 289	27 919	28 542	29 161		
NET S	21 356	21 954	22 556	23 147	23 719	24 295	24 885	25 470	26 043	26 606	27 166		
Assistant Officer													
P-1 GROSS	21 143	22 009	22 872	23 712	24 580	25 461	26 358	27 208	28 061	28 892			
NET D	18 073	18 697	19 318	19 923	20 548	21 173	21 801	22 396	22 993	23 575			
NET S	17 032	17 605	18 176	18 732	19 307	19 881	20 457	21 003	21 550	22 084			

D = Rate applicable to staff members with a dependent spouse or child.

S = Rate applicable to staff members with no dependent spouse or child.

ANNEX XII

Comparison of net remuneration of United Nations officials in New York and United States officials
in Washington, D.C. at step 1 of each grade

(October 1985-September 1986)

(Margin as at June 1986)

United Nations, New York			United States, Washington, D.C.				
Grade	Net remuneration a/	Grade	Net remuneration per grade b/	Weights	Weighted net remuneration	UN/US ratio adjusted for cost of living (Us, Washington = 100)	Weights for calculation of overall ratio c/
P1/1	24 805	GS 9/1	9 130	100	19 130	124.1	3.1
P2/1	31 281	GS 11/1	22 660	62	24 205	123.6	14.1
		GS 12/1	26 737	38			
P3/1	37 653	GS 12/1	26 737	45	29 380	122.6	23.3
		GS 13/1	31 542	55			
P4/1	44 938	GS 13/1	31 542	33	34 830	123.5	27.1
		GS 14/1	36 450	67			
P5/1	53 984	GS 15/1	42 393	92	43 260	119.4	21.8
		SES 2	51 043				
		SES 4	54 220	8			
D1/1	59 414	GS 16/1	47 760	6	53 248	106.8	7.8
		SES 1	49 185	13			
		SES 4	54 220	75			
		SES 5	55 394	6			
D2/1	66 898	GS 17/1 d/	52 871	7	54 462	117.5	2.9
		GS 18/1 d/	52 871	9			
		SES 4	54 220	50			
		SES 5	55 394	29			
		SES 6	56 568	5			
Cost-of-living ratio New York/Washington, D.C.:						104.5	
Weighted average ratio, adjusted for cost-of-living:						120.9 (margin)	

a/ Includes post adjustment of 12 months at class 7/+2 (multiplier 43).

b/ Based on published salary rates effective 1 January 1985 (including bonuses and special award where applicable).

c/ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 1985.

d/ Limited to the ceiling on the rates of basic pay under the General Schedule.

ANNEX XIII

Proposed scale of staff assessment for the
General Service and related categories

Gross salary		Staff assessments			
Bracket	Cumulative	By income bracket		Cumulative	
		Percentage	Amount	Amount	Percentage
First 2 000	2 000	11	220	220	11
Next 2 000	4 000	14	280	500	12.5
2 000	6 000	17	340	840	14.0
2 000	8 000	20	400	1 240	15.5
4 000	12 000	22	880	2 120	17.7
4 000	16 000	24	960	3 080	19.3
4 000	20 000	26	1 040	4 120	20.6
6 000	26 000	28	1 680	5 800	22.3
6 000	32 000	30	1 800	7 600	23.8
6 000	38 000	32	1 920	9 520	25.1
6 000	46 000	34	2 040	11 560	25.1
Over	46 000	36			

كيفية الحصول على منشورات الأمم المتحدة

يُمكن الحصول على منشورات الأمم المتحدة من المكتبات بدور التوزيع في جميع أنحاء العالم. استلم منها من الكتب التي تعامل معها أو اكتب إلى: الأمم المتحدة، قسم البيع في نيويورك أو في جنيف.

如何购取联合国出版物

联合国出版物在世界各地的书店和经销处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишете по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
