

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION
for the year 1987**

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-SECOND SESSION

SUPPLEMENT No. 30 (A/42/30)



UNITED NATIONS

New York, 1987

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.

[28 August 1987]

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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
ECA	Economic Commission for Africa
EGSL	Extended General Service Level
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
GATT	General Agreement on Tariffs and Trade
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICATVT	International Centre for Advanced Technical and Vocational Training, Turin
ICSAB	International Civil Service Advisory Board
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMCO	Inter-Governmental Maritime Consultative Organization (now IMO)
IMO	International Maritime Organization
ITC	International Trade Centre UNCTAD/GATT
ITU	International Telecommunication Union
NPO	National Professional Officer
PAHO	Pan American Health Organization
RCF	Remuneration correction factor
SCJC	Sub-Committee on Job Classification
SES	United States Senior Executive Service
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
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
WHO World Health Organization
WIPO World Intellectual Property Organization
WMO World Meteorological Organization

LETTER OF TRANSMITTAL

12 August 1987

Sir,

I have the honour to transmit herewith the thirteenth 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

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/
Article of
ICSC statute

Recommendations of the Group of High-level Intergovernmental Experts
to Review the Efficiency of the Administrative and Financial
Functioning of the United Nations

Paragraph 44
Articles 1,
9, 13, 14
and 17

The Commission decided with regard to recommendations 53 and 61:

(a) To recommend that the mandate of the Commission not be modified since its monitoring function was already clearly covered by articles 1, 9, 13, 14 and 17 of its statute;

Article 10 (c)

(b) To reiterate its earlier recommendations regarding the education grant for post-secondary studies and to recommend that the existing entitlement not be changed;

Article 10 (c)

(c) To recommend that the current annual leave entitlement of 30 days per annum not be changed.

Action by the Commission concerning other recommendations of the Group is indicated in paragraphs 45 and 46 of the report.

Professional and higher categories

Methodology for the calculation of the net remuneration margin

Paragraph 83
Article 10 (b)

The Commission recommends that the present methodology for calculation of the net remuneration margin, as modified in subparagraphs 69 (a), (d) and (e) of its twelfth annual report, should continue to be applied for the next three years, after which it will be reviewed and reported on to the General Assembly at its forty-fifth session.

New staff assessment rates instead of consolidation of post
adjustment into base salary

Paragraphs
119 and 120
Article 10 (b)

The Commission recommends to the General Assembly that it should (a) maintain the current level of staff assessment for staff members with a dependent spouse or a dependent child for purposes of pensionable remuneration and pensions; and (b) approve revised rates of staff assessment to be used in conjunction with gross base salaries and the gross amounts of separation payments for staff at the dependency rate and for staff at the single rate. The proposed rates of staff assessment, base salary scale and scale of separation payments are shown in annexes VI, VII and VIII. It is proposed that these changes be introduced with effect from 1 April 1988.

Post adjustment questions

Study of the possibility of eliminating post adjustment at the base, New York

Paragraphs 177 and 178
Article 10 (b) The Commission recommends to the General Assembly that for the time being, the post adjustment should be maintained at the base of the system, New York.

Conditions of service in the field

Paragraph 197
Article 10 (b) In view of the adverse effects of currency fluctuations on the level of take-home pay of staff at duty stations with low and negative post adjustments, resulting in problems for the organizations of recruitment and retention of staff at those duty stations, the Commission recommends the following modifications to the post adjustment system as an interim measure for application to such duty stations situated outside Europe, the United States and Canada:

- (a) An index corresponding to the remuneration in New York adjusted downward by 15 per cent should be calculated. For all field duty stations with a post adjustment index lower than the adjusted New York index mentioned above, only 75 per cent of the difference between the adjusted New York index and the actual post adjustment index of the duty station should be applied. The post adjustment classifications of the duty stations falling in the above category should correspond to the modified post adjustment index;
- (b) In the application of the above formula, an absolute lowest limit of multiplier minus 5 should be placed on the post adjustment classifications;
- (c) In the case of some field duty stations the post adjustment classifications are substantially higher than that applicable at the base of the system, New York, and the exchange rates are known to have remained constant in relation to the United States dollar for the last several years. In these cases it is determined that the high post adjustment classification is primarily the result of the movement of the local consumer price index. In these duty stations only 80 per cent of the difference between the actual post adjustment index of the duty station and the post adjustment index corresponding to the remuneration in New York should be applied to determine a modified post adjustment index. The post adjustment index thus modified should be used for the determination of the post adjustment classification of duty stations falling in this category. These duty stations should be reviewed by the ICSC secretariat on a case-by-case basis and specific recommendations relating to those where post adjustment classifications are proposed to be reduced should be submitted to the ICSC Chairman for his approval.

Education grant

Paragraph 153 The Commission recommends to the General Assembly that the
Article 10 (c) existing education grant provisions for staff serving at locations
where educational facilities are not available or are deemed to be
inadequate be modified to enable them to claim reimbursement of
100 per cent of boarding costs up to \$1,500 per year as an amount
additional to the maximum grant of \$4,500.

Rental subsidy thresholds

Paragraph 198 The Commission decided that, in the case of duty stations where the
post adjustment classification corresponded to remuneration equal
to the remuneration in New York less the 15 per cent margin, the
actual rent-to-income ratios without any adjustment should be used
effective 1 August 1987 as rental thresholds for the determination
of rental subsidies.

Implementation of recommendations and decisions of the Commission

Long-service step

Paragraph The Commission reiterated its recommendation to the United
344 (e) Nations, ILO and WHO that one additional step be introduced
Article 10 (b) into the salary scales for long service at the levels P-1 to P-5.

SUMMARY OF DECISIONS AND OTHER RECOMMENDATIONS OF THE COMMISSION

Paragraph
reference

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

- 132 The Commission decided:
- (a) To use average Senior Executive Service salaries in remuneration comparisons;
 - (b) To keep under study the equivalency of Assistant Secretary-General/Under-Secretary-General levels;
 - (c) To exclude translator positions from remuneration comparisons;
 - (d) To note the more satisfactory rate of agreement of the validity check;
 - (e) To conclude the review of the effect of career lengths on average salaries, noting the lack of data on which to base an appropriate evaluation;
 - (f) To use the square root weighting technique in the calculation of the United States federal civil service salaries representing the United Nations common system grade averages.

Post adjustment questions

Review of the rental subsidy scheme for headquarters and
non-headquarters locations

- 162 The Commission decided that:
- (a) For determining rental subsidy thresholds at field duty stations, all extreme rents should be excluded by using only those rents in the interval defined as the average rent plus-or-minus two standard deviations. For the calculation of average rent in determining rental subsidy thresholds at duty stations in Canada, the United States as well as at all headquarters and some of the other duty stations in Europe, the rents of staff members who had been at the duty station for less than five years should be excluded;
 - (b) In all locations, a maximum margin of 20 per cent should be applied to rent-to-income ratios on a graduated scale in order to arrive at rental subsidy thresholds;
 - (c) At the duty stations in Canada, the United States as well as at all headquarters and some of the other duty stations in Europe, the reimbursement rates should be frozen during the period of a freeze on the post adjustment in New York. As long as the current freeze on the New York post adjustment continues, the

rate of reimbursement should be reinstated as at the date of implementation of this recommendation (1 August 1987) at the level applicable either when the freeze was applied (1 December 1984) or when the officials concerned entered in service, whichever comes later. When the freeze ends in New York, the normal operation of the scheme should be resumed at all duty stations affected and the level of reimbursement below the restored level should be applied for 12 months. Normal phasing-out procedures should be applied thereafter. There should be no retroactive payments.

Revision of the methodology for the calculation of the out-of-area price progression factor

165 and 166 The Commission decided that the out-of-area price progression factor, calculated on a monthly basis with effect from 1 September 1987, should provisionally be based on a basket of currencies comprising those included in the European Currency Unit (ECU), together with those of Austria, Hong Kong, Japan, the Scandinavian countries, Singapore, Switzerland, the United Kingdom and the United States.

Procedures to minimize the effects of currency fluctuations on take-home pay

170 At its twenty-fifth session, the Commission decided that, in countries where the remuneration correction factor (RCF) was applicable and the United States dollar had devalued in relation to the local currency by 20 per cent or more since the last place-to-place survey, the following procedure should be applied for a period of five months with effect from 1 April 1987:

- (a) An exchange rate resulting from a 20 per cent devaluation of the United States dollar vis-à-vis the local currency since the last place-to-place survey should be calculated;
- (b) Net take-home pay (net base salary plus post adjustment less pension contribution) in local currency corresponding to the post adjustment classification (including the RCF) at the exchange rate in paragraph (a) above should be determined;
- (c) If the United States dollar devalued below the rate as described in paragraph (a) above, then the post adjustment classification should be determined in such a way as to ensure that the resulting net take-home pay in local currency did not fall below the level as described in paragraph (b) above.

173 At its twenty-sixth session the Commission decided that:

- (a) The out-of-area price progression factor resulting from the application of the procedure approved by the Commission at its twenty-sixth session should be used for the calculation of the RCF for all duty stations where the RCF procedure applies;

- (b) The floor protection amounts established in accordance with the procedure approved by the Commission at its twenty-fifth session should be re-calculated after taking into account the effects of the revised out-of-area price progression factor procedure;
- (c) A ceiling on the pay in countries where floor protection procedures are applied should be determined by reference to the rate of exchange resulting from 20 per cent revaluation of the United States dollar vis-à-vis the local currency with respect to the rate of exchange in effect at the time of the last place-to-place survey;
- (d) The revised RCF, the floor protection amounts and the ceiling provisions referred to in subparagraphs (a) to (c) above should be used for the determination of post adjustment classifications of duty stations affected as at 1 September 1987.

174 The Commission also decided to establish a small working group composed of staff of the ICSC secretariat and the representatives of organizations and staff to study the problems connected with the separation of the effects of inflation and currency fluctuations in the post adjustment system, which would report its findings to the Commission in March 1988.

Conditions of service in the field

The assignment allowance

210 The Commission decided to raise the level of the assignment allowance for staff members at P-1 and P-2 levels to the same amounts currently applicable to P-3 and P-4 staff assigned to duty stations in Europe, Canada and the United States. The Commission also decided to increase the assignment allowance to include a mobility incentive under conditions specified in paragraph 210 of this report.

Classification of duty stations according to conditions of life and work

219 and 220 The Commission decided to establish new financial incentive levels with effect from 1 July 1987 for staff in the Professional and higher categories serving at difficult duty stations as specified in paragraph 219 of the report. The Commission also decided to approve revisions to the system of classifying duty stations according to conditions of life and work as indicated in paragraph 220.

Exceptional financial arrangements for staff serving at Beirut

224 The decisions of the Commission are reported in paragraph 224.

National Professional Officers

230-232 With regard to the job classification standard for the National Professional Officers (NPOs), the Commission decided:

- (a) That the Master Standard for the classification of Professional posts was the appropriate standard for classifying NPO posts;
- (b) That proposals should be made by the organizations at the Commission's twenty-eighth session on how to deal with the overlap in functions of staff in the Extended General Service Level (EGSL) and NPO categories.

The Commission approved the proposed survey methodology for NPO including:

- (a) The selection of survey jobs and employers;
- (b) The adjustment for work-week differences;
- (c) The use of weighting in data analysis on a grade-by-grade basis;
- (d) The analysis of non-pensionable allowances separately from those for the General Service category.

It further approved the establishment of dependency allowances on the same basis as the General Service category and agreed that overtime and the language allowance should not be payable to NPOs.

Job classification

Implementation of the Master Standard (Tier I)

246

The Commission decided:

- (a) To note the rate of implementation of the Master Standard and confirmation of levels in UNDP, UNICEF and UNHCR and that no further detailed statistics were needed from those organizations;
- (b) To note the high confirmation rate of classified levels of posts in FAO and that the implementation rate had overtaken the accumulated turnover rate and that no further detailed statistics were required from that organization;
- (c) To note the rate of implementation of the Master Standard of 30 per cent and the high overall confirmation rate in WHO of Professional level posts, including project posts, and to request WHO to submit detailed statistics on further implementation in 1987 at the twenty-seventh session;
- (d) To request the organizations to report in detail every three years on the implementation of the Master Standard when they submit information on the implementation/consideration of the Commission's recommendations and decisions.

Definition of General Service work

251 The Commission decided:

- (a) To promulgate a definition of General Service work and adopt the two-step procedure for the determination of this level of work;
- (b) To note that this procedure would be included in the revised version of the Common Classification of Occupational Groups.

Development of a job classification standard at Baghdad

254 The Commission decided:

- (a) To delegate to its Chairman the authority to promulgate the job classification standard for the General Service at the Baghdad duty station and to approve the benchmark job descriptions;
- (b) To request the organizations concerned to provide at the twenty-seventh session a progress report on the implementation of the job classification standard.

Development of classification standards for the General Service at Santiago

257 The Commission recalled its earlier considerations with regard to the lack of progress at Santiago and decided to note with regret the lack of progress there and to request the United Nations to ensure the submission of a progress report, including draft standards, at its twenty-seventh session.

Common classification standard for the General Service at small and medium-sized duty stations

262 The Commission considered the document prepared by CCAQ and noted the importance of the completion of a common classification standard for General Service posts in the majority of field duty stations.

The Commission decided:

- (a) To promulgate, with immediate effect, the point-rating matrix standard;
- (b) To promulgate, with immediate effect, the G-6 administrative assistant benchmark;
- (c) To delete from the benchmark standards already promulgated the G-2 office equipment operator benchmark;
- (d) To note that the organizations have developed a series of interpretation tools to be applied in conjunction with the standard and to agree that the maintenance of the common classification standard should continue to be the responsibility of the organizations;

- (e) To agree that the review of the relationship of the EGSL to the common classification standard should be deferred until further experience has been acquired in the application of the standard;
- (f) To take note of the procedures developed by the organizations for co-ordinating the implementation of the standard, and to request the organizations to provide a progress report in this regard at the twenty-ninth session including progress in the development of a uniform grade structure, as well as on the relationship between the standard and EGSL work.

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

267 The Commission decided:

- (a) To note that the results of the job classification of the General Service and related categories in New York were being implemented effective 1 January 1985;
- (b) To reaffirm the need for benchmark job descriptions;
- (c) To repeat its request to the three organizations based in New York to develop common benchmark job descriptions for the General Service and related categories in New York for review at its twenty-seventh session.

Implementation of the job classification standards for the General Service and related categories at Vienna

272 The Commission decided to promulgate three additional benchmarks. It also took note of the progress made in the implementation of the standards to date and requested the Vienna-based organizations to provide a further progress report at its twenty-eighth session.

Implementation of job classification standards at Addis Ababa

277 The Commission decided:

- (a) To note the progress reports on the implementation of the common grading standards at Addis Ababa;
- (b) To urge those organizations that had not yet done so to implement the common grading standards promulgated in 1985;
- (c) To request the organizations concerned to report to the Commission on the progress of implementation of the common grading standards at its twenty-eighth session;
- (d) To request the co-ordinating committee, through the United Nations, to provide the final guidelines for implementation of the conversion of the grade levels at Addis Ababa to the Commission for information;

- (e) To reiterate its request, through the United Nations, that the co-ordinating committee should develop further benchmark job descriptions for the General Service and related categories at Addis Ababa.

Recruitment policy

Equitable geographical distribution: further reports on unrepresented and underrepresented countries

286 and 287 The Commission's conclusions and recommendations are recorded in paragraphs 286 and 287.

Progress made since the twenty-fourth session in undertaking special measures for the recruitment of women

296 Noting the limited progress in this area over the past year, the Commission decided:

- (a) To reaffirm the validity of its previous recommendations;
- (b) To keep the item on its work programme by conducting extensive monitoring biennially on the basis of full progress report and, in alternate years, on the basis of statistical data.

Performance appraisal and the recognition of merit

305 The Commission recommended that:

- (a) The organizations should take into account the 11 performance appraisal principles and associated guidelines provided in annex XV and that they should regularly appraise the performance of all staff up to the D-1 level;
- (b) The organizations should also take into account the principles and associated guidelines concerning appropriate consequences for different performance levels provided in annex XV;
- (c) Where necessary, the organizations should actively set targets to have their performance appraisal systems consistent with the performance appraisal principles and guidelines as soon as reasonably possible, but in any event no later than 1 July 1992;
- (d) The organizations should send their performance appraisal and recognition of merit plans, systems and forms to the ICSC secretariat for appropriate consultations.

Mobility of staff in the Professional and higher categories

323 Annexes XVI and XVII The Commission decided to bring the information on staff reassignments in the common system to the attention of the General Assembly and the legislative organs of the other organizations.

Implementation of the recommendations and decisions of the Commission

344

The Commission decided:

- (a) To express appreciation for the executive heads for drawing to its attention action taken by their governing bodies;
- (b) To request those organizations that had deviated in the implementation of recommendations in respect of effective dates to harmonize their practices in future with the other organizations in accordance with the dates recommended;
- (c) To request the United Nations to harmonize with other organizations concerned the effective dates of implementation of interim cost-of-living adjustments for the General Service category at the same duty stations;
- (d) To reiterate its recommendations in the area of personnel policies, particularly with respect to recruitment policy, and request organizations to make every effort to implement them and, when taking such action, to inform the ICSC secretariat in time to enable it to report to the Commission at the session following the date of approval by legislative organs of executive heads;
- (e) To reiterate its recommendations to the United Nations, ILO and WHO, made in its tenth annual report on long-service steps, that one additional step be introduced into the salary scales for long service at the levels P-1 to P-5, and to UNDP, UNESCO and WIPO on linked grades, and to request these organizations to report to the Commission on these issues at its twenty-seventh session;
- (f) To request organizations that have not yet done so to send to the Commission's secretariat copies of relevant resolutions, decisions and reports on meetings of legislative bodies.

Review of rules 17, 30, 32, 33, 36 and 37 of the rules of procedure of the Commission

354

Action taken by the Commission in its review of rules of procedure is recorded in paragraph 354.

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

Paragraph
reference

Methodology for the calculation of the net remuneration margin

86 Approval of the recommended changes will result in the margin dropping below 115 in fiscal year 1988 approximately five months earlier than under current methodology. This will result in an expense of \$2.85 million, for 1988. Significantly lower additional expenses beyond 1988 would be incurred. However, the exact amount cannot be calculated at this stage.

Rental subsidies: field and headquarters duty stations

152-164 The cost to the organizations of these decisions was estimated at \$350,000 for 1988 to become cost neutral when the post adjustment freeze is lifted.

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

170-173,
176 The cost to the organizations of extending the application of the RCF and applying the new out-of-area progression factor at a 20 per cent floor and ceiling was estimated at \$5.5 million per annum at the exchange rates in effect in July 1987. Should the United States dollar strengthen sufficiently in the near future in relation to other currencies, these measures would result in savings to the organizations.

Operational aspects of the post adjustment system

179 and 180 The financial implication of this decision was estimated at \$250,000 per annum.

Survey of best prevailing conditions of service of the General Service and related categories at Vienna

181 The financial implications of the Commission's recommendations for common system organizations at Vienna based on its survey there amount to \$4 million per annum. Of these, the General Service category accounts for \$3,902,000, the Manual Worker category for \$91,000 and teachers for \$7,000.

Conditions of service in the field

Duty stations with low or negative post adjustments

197-199 Approval by the General Assembly of the recommendations was estimated at \$3.86 million per annum systemwide.

Assignment allowance: duty stations outside Europe and North America

- 210 and 211 Increasing the level of this assignment allowance and the introduction of a mobility factor was estimated at a cost of \$1.24, \$1.93, \$3.24, \$4.54 and \$5.22 million per annum respectively for the years 1988, 1989, 1990, 1991 and 1992 and subsequent years.

Boarding costs at selected duty stations

- 153 and 154 This decision was estimated at a cost of \$75,000 per annum to the organizations.

Financial incentives: difficult duty stations

- 219 The cost of the decision to raise the financial incentive levels was estimated at \$1.4 million per annum systemwide.
- 220 Three revisions in the threshold for determining entitlements had additional financial implications of \$27,000 per annum for the common system.

Temporary financial incentive and bonus: Beirut

- 224 The annual cost of the increase in temporary financial incentive and bonus was estimated at \$240,000.

The total financial implications of the Commission's relevant decisions and recommendations in 1987 for the United Nations common system are approximately \$19.8 million for 1988.

FOREWORD

The Commission wishes to draw attention to the numerous and complex issues it was requested to review in the course of the past year, which, in view of their far-reaching implications for the United Nations and other organizations of the common system, required an especially detailed report.

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 functions 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/ UNIDO, which became a specialized agency with effect from 1 January 1986, informed the Commission that it had also accepted the Commission's statute. Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

B. Membership

3. The General Assembly, at its forty-first session, appointed six new members and reappointed two other members of the Commission to terms of office commencing on 1 January 1987 (decision 41/317 of 11 December 1986).

4. Consequently, the membership of the Commission for 1987 is as follows:

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

* Term of office expires on 31 December 1988.

** Term of office expires on 31 December 1989.

*** Term of office expires on 31 December 1990.

C. Sessions held by the Commission and questions examined

5. The Commission held two sessions in 1987: the twenty-fifth and twenty-sixth, both of which were held at United Nations Headquarters in New York, from 9 to 27 March 1987 and from 6 to 24 July 1987, respectively.

6. At its twenty-fifth and twenty-sixth 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. Subsidiary body

7. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976, held its twelfth session at the International Centre for Advanced Technical and Vocational Training (ICATVT) of ILO at Turin from 5 to 12 May 1987. It consisted of the following members: Mr. Carlos S. Vegoga (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

ACTION TAKEN IN RELATION TO RESOLUTIONS AND DECISIONS OF THE GENERAL ASSEMBLY AT ITS FORTY-FIRST SESSION

8. The Commission took action in relation to resolutions and decisions adopted by the General Assembly at its forty-first session arising from the twelfth annual report of the Commission, as reported below, in respect of the following matters:

Resolution 41/207 of 11 December 1986

The General Assembly approved, with effect from 1 April 1987, for staff in the Professional and higher categories, the revised scale of staff assessment, the revised base salary scale and the scale of separation payments, as contained in annexes I, X and XI to the twelfth annual report of the Commission 3/ and consequently approved, with effect from 1 April 1987, the amendments to the Staff Regulations of the United Nations, to replace, for staff in the Professional and higher categories, the present scale of net and gross salaries and the scale of staff assessment. The Assembly also approved, with effect from 1 January 1987, the introduction of the revised scale of staff assessment for staff in the General Service and related categories, as well as the manner of application, including the transitional arrangements, as recommended by the ICSC in paragraphs 139 and 140 and annex XIII of its report, 3/ and consequently approved, with effect from 1 January 1987, the amendments to the Staff Regulations of the United Nations to replace the present scale of staff assessment for staff in the General Service and related categories (see paras. 119-122 below).

Resolution 41/208 of 11 December 1986

The Commission took note of the resolution dealing, inter alia, with pensionable remuneration for the Professional and higher categories.

Resolution 41/213 of 19 December 1986

Review of the efficiency of the administrative and financial functioning of the United Nations (see paras. 13-46 below).

9. Action taken by governing bodies of other organizations of the United Nations common system subsequent to the forty-first session of the General Assembly was brought to the attention of the Commission at its twenty-fifth and twenty-sixth sessions, in March and July 1987 respectively. This included a decision by the ILO Governing Body on pensions, two resolutions of the ITU Administrative Council on conditions of service (one on pensions) and a summary of work of the Tenth WMO Congress on conditions of service. These actions were reviewed by the Commission in the course of its deliberations and were of assistance to it in arriving at positions on the various issues. They are reproduced in annexes I to III of the present report.

Views of the organizations and the staff representatives

10. The representative of ILO referred to the recent resolution of the ILO Governing Body cited above. The situation in respect of pensions was a principal

reason that had led the ILO staff to go on strike on 26 February 1987. The ILO Governing Body had, moreover, noted certain aberrations caused by the fluctuations of the dollar against other currencies.

11. The President of FICSA pointed out that the Fifth Committee of the General Assembly, in discussing the draft resolution that the Assembly subsequently adopted as resolution 41/208, had encountered problems due to the technical defects of the scale of pensionable remuneration proposed by the Commission and the absence of co-operation between the Commission and the Pension Board. As a result, a compromise scale had been hastily worked out, based on no methodology whatsoever. Because the Fifth Committee, in its haste, had omitted to take into account several important points, in particular the fact that the reduction of pensionable remuneration entailed an unacceptable drop in compensation for service-incurred injury, illness or death, the Commission and the Pension Board should examine the matter without delay.

Conclusions of the Commission

12. The Commission took note of action by the General Assembly in respect of personnel policies, such as the composition of the United Nations Secretariat and the composition of its upper echelons, desirable ranges for the geographical distribution of staff in the Professional category and above and the improvement of the status of women in the Secretariat (resolution 41/206 of 11 December 1986), other personnel questions, including respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (resolution 41/205 of 11 December 1986), amendments to the Staff Rules of the United Nations (decision 41/464 of 11 December 1986), questions relating to the programme budget for the biennium 1986-1987, including Judgement No. 370 of the United Nations Administrative Tribunal related to the suspension of class 12 post adjustment in New York and implementation of the job classification of the General Service and related categories (resolution 41/209 of 11 December 1986), the office of Ombudsman and streamlining of appeals procedures (decision 41/462 of 11 December 1986), the improvement of the status of women in the Secretariat (decision 41/463 of 11 December 1986) and the programme budget of the Commission (resolution 41/211 of 11 December 1986).

Recommendations of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations 4/

13. The Commission had before it documentation prepared by its secretariat recalling, inter alia, that by its resolution 40/237 of 18 December 1985, the General Assembly decided to establish a group of high-level intergovernmental experts to review the efficiency of the administrative and financial functioning of the United Nations. By its resolution 41/213, section I, paragraph 1 (c), the Assembly decided, inter alia, that the Secretary-General should transmit to ICSC those recommendations having direct impact on the United Nations common system (recommendations 53 and 61), with the request that it should report to the Assembly at its forty-second session, so as to enable the Assembly to make a final decision. The General Assembly also stated that the expertise of the Commission should be availed of in dealing with some other recommendations over which the Commission had a mandate to advise and make recommendations. In this regard, the Fifth Committee of the General Assembly identified recommendations 42, 43, 45,

48-50, 52, 55, 57, 58 and 60 as relating to issues over which the Commission had a mandate to make recommendations to organizations (articles 14 and 15 of the ICSC statute). In addition, the ICSC secretariat drew the attention of the Commission to five other recommendations of the Group of High-level Intergovernmental Experts (4, 9, 46, 51 and 59), which, although not specifically referred to the Commission by the Assembly, might be of interest to it. As requested by the Commission, the documents also contained a summary of all previous recommendations and decisions of the Commission on other matters dealt with by the Group, together with recommendations on those where further study was required.

Views of the organizations and the staff representatives

14. The Chairman of CCAQ stated that the organizations shared the Commission's view to the effect that there was no need to modify the mandate of the Commission since its responsibilities for establishing personnel standards and monitoring their implementation were clearly set out in the statute of the Commission. With regard to the issue of post-secondary education (recommendation 61), he recalled that it had been the subject of at least two reviews (ICSAB in 1968 and ICSC in 1978), both of which recommended that this entitlement should be maintained. He noted that the education grant had become a major factor in acceptance of employment and any tampering with it could only hamper further the organizations' efforts to recruit and retain high-calibre staff. He restated the position of ACC that the existing education grant status should remain unchanged. As to the issue of annual leave raised by recommendation 61, it had been the subject of review by four bodies (the Preparatory Committee (1946), the Flemming Committee (1949), the Salary Review Committee (1956) and the Special Committee for the Review of the United Nations Salary System (1971-1972)), all of which recommended that the existing entitlements be kept unchanged. He referred to the clear trend towards an increase in leave entitlements in national civil services. He restated the firm position of ACC that the current annual leave entitlements should remain unchanged. As to the other recommendations not explicitly referred to the Commission by the Assembly, CCAQ was of the opinion that they were not relevant to the common system, but more specifically to the United Nations. He recalled that all positions taken by CCAQ collectively or by individual organizations on each of the subjects referred to remained valid. Lastly, he expressed strong reservations about the recommendation that the Commission could specify issues on which there might be flexible ad hoc arrangements, if this were to imply that in the absence of such a recommendation no flexibility would be allowed.

15. The President of FICSA confined her statement to those recommendations that concerned the staff of the common system. FICSA could not accept recommendation 61 since it was based on totally unsubstantiated reasoning. With regard to the proposed reduction in annual leave from 30 to 20 days, FICSA supported the findings of the ICSC secretariat. Over 90 per cent of Professional staff being expatriate, the present entitlement to annual leave was by no means excessive in comparison with that of national civil services. Owing to their multilingual activities, the organizations had to rely on qualified General Service staff who, while locally recruited, were expatriate in many cases. In view of acquired rights of serving staff, a differentiated annual leave system would have to be applied to staff working side-by-side, which would create great problems. FICSA underlined that the education grant for post-secondary studies was an important element in attracting and retaining expatriate staff. The proposed reductions in these two entitlements would lead to extremely serious tensions among staff. Concerning recommendations 45, 55 and 57, FICSA expressed regret that not all organizations

had implemented the Commission's recommendation on the granting of permanent appointments. Recommendation 55, which aimed at limiting the proportion of staff on fixed-term appointments, was directed against the abuse of secondment of their nationals by some Member States and the practice of reserving posts for nationals of certain countries. FICSA fully subscribed to the application of this recommendation. In supporting recommendation 57, FICSA considered that the proportion of staff on permanent and fixed-term appointments should be left to each organization to decide. FICSA approved recommendations 43, 48, 50 and 51 in so far as they would base career development and promotion on equitable and transparent criteria. FICSA had reservations with regard to the extension of the use of competitive examinations for promotion from the General Service to the Professional category to the organizations of the common system. In their present form, competitive examinations constituted additional barriers to the career development of General Service staff. Recommendation 46 on improving the status of women in the international organizations was fully supported by FICSA. It was essential to institute regular monitoring of progress made. Concerning recommendation 52, on the age of retirement, FICSA recalled that the extension of the mandatory age of separation from service was important in the international organizations, in view of the relatively short career of many staff who entered the system at age 40 or later. Recommendation 59 could not be endorsed by FICSA since the need for active participation of staff representatives was recognized in the staff rules and regulations of the organizations and the statute of ICSC. The release of staff representatives and support by organizations in providing secretarial assistance and office facilities was necessitated by the statutory involvement of staff representatives in certain of the organizations' activities. It was in accordance with international labour instruments and the practice of many national civil services. The administration of justice (recommendation 60) in the United Nations system left much to be desired, as demonstrated by recent judgements of the Administrative Tribunal of ILO on post adjustment and pensionable remuneration, which clearly showed that there was a legal vacuum for staff of the specialized agencies in respect of certain aspects of conditions of service.

16. The representative of CCISUA considered that many of the points of importance regarding the recommendations had already been brought to the attention of the Commission and it wished therefore to touch upon only two items, education grant and leave entitlements. The cost of education at all levels had been spiralling upward since the grant had last been considered. Therefore CCISUA not only strongly supported the retention of the education grant for post-secondary education, but also believed that there was ample evidence to warrant a considerable increase in the level of the grant. In addition, CCISUA felt that special consideration should be given to staff in duty stations where local educational facilities were inadequate or even non-existent, with a view to increasing the reimbursement of those who must send their children away to boarding schools, and to extending the grant to locally recruited staff on the basis of need. Regarding leave entitlements, CCISUA considered that leave currently afforded to staff was by no means excessive. On the contrary, the leave benefits of many national civil services were comparable, or in some cases superior, to those provided by the common system organizations. CCISUA wished to note once again that the vast majority of staff were expatriate throughout their careers.

17. The representative of the United Nations drew the attention of the Commission to the report of the Secretary-General entitled "Reform and renewal in the United Nations: progress report of the Secretary-General on the implementation of General Assembly resolution 41/213" (A/42/234 and Corr.1), which outlined the position

being taken by the Secretary-General with regard to the recommendations of the Group of High-level Intergovernmental Experts. He noted that the advice given by the Commission in the past had already been taken into account and assured the Commission that any further recommendations would also be taken into consideration.

18. The representative of IFAD said that his organization was conforming to the common system parameters. However, any further reductions in conditions of service would make it difficult for IFAD to compete with the regional development banks for the recruitment of staff. If reductions in highly visible conditions such as annual leave and the education grant were made, IFAD would have to consider discussing with its governing body the possibility of moving away from the common system. He pointed to the preliminary information provided by the ICSC secretariat that the United Nations/United States total compensation margin for Rome was 79.9, and he supported the ICSC recommendation that "comparisons should be made on an overall basis, including expatriate elements".

19. The representative of UNIDO recalled that the Austrian federal legislation on annual leave provided favourable leave entitlements comparable to the length of leave provided by the United Nations. Furthermore, the Austrian federal legislation provided for 13 public holidays, plus one day for members of specified religious faiths, while the United Nations provided for 9 public holidays. Based on these facts, any reduction in the length of annual leave in the United Nations might result in an increase in salaries of the General Service and Manual Worker categories at Vienna. As for staff in the Professional and higher categories, 90 per cent of them in the common system were expatriates. It was therefore essential for them to maintain close touch with their home countries and cultures. Indeed, this was the reason why the staff regulation stipulated that a minimum period of the annual leave had to be spent in the home country as a prerequisite for granting home leave. Furthermore, a great number of the Professional staff were serving on fixed-term contracts, which meant that most of them were expected to start a new career in their home countries and reintegrate their families in their respective societies. The representative of UNIDO agreed with ACC's position on the issues in question to the effect that no change should be made on either of the two entitlements.

Discussion by the Commission

20. The Commission considered that recommendations 53 and 61 were the crucial ones on which the Commission was required to report to the General Assembly. Some members proposed that the other recommendations should be discussed when they arose in the course of the work programme.

21. With regard to recommendation 53 dealing with monitoring the implementation of personnel management standards, the Commission considered that there was no need to modify the mandate of the Commission so that it could monitor implementation of personnel standards by the United Nations. Its responsibilities for establishing personnel standards and monitoring the implementation of such standards by the United Nations as well as other organizations of the common system were clearly set out in its statute, in particular in articles 1, 9, 13, 14 and 17. The Commission did, nevertheless, express the hope that the Secretary-General would report annually to the General Assembly not only on action taken by the United Nations in response to recommendations and decisions of the Commission, but also in his capacity as Chairman of ACC on action taken through ACC to promote harmonized and co-ordinated action by all participating organizations in the common system

regarding conditions of service pursuant to recent Assembly resolutions, including resolutions 36/233 of 18 December 1981, 40/244 of 18 December 1985 and 41/207.

22. Concerning recommendation 61 on the total entitlements of staff, the Commission considered three methods for dealing with the matter. These could be based, for example, on total compensation including expatriate elements, on consideration of the individual entitlements, as had been done to date, or on salaries and pensions alone. One member said that there could be other methods of dealing with the issue. Two members of the Commission were of the view that the conclusion of the Group regarding a decrease in the level of staff entitlements was not without reason and pointed out that concern had been expressed not only by the Group but by many Member States as well. However, most members felt that the Group of High-level Intergovernmental Experts had not given a basis or rationale for its assertion in recommendation 61 that the total entitlements (salaries and other conditions of service) of staff members had reached a level that gave reason for serious concern and should be reduced. The Group's specific recommendations concerning the elimination of the education grant for post-secondary studies and the establishment of a four-week annual leave system for all staff members could only be regarded as unsubstantiated and therefore subjective. Some members stated that they would have been able to understand such comments being made about the level of entitlements in the United Nations system before the freeze of the level of remuneration through the post adjustment system in December 1984 pursuant to resolution 39/27 of 30 November 1984 and the Commission's recommendations at its twenty-fourth session to reduce the level of pensionable remuneration for staff in the Professional and higher categories. In the latter connection, they noted that the Assembly, in resolution 41/208, had, moreover, reduced the overall level of pensionable remuneration for such categories of staff with effect from 1 April 1987. They wondered what would be achieved by further reductions in entitlements apart from causing further unease among staff as, in their view, the level of entitlements did not seem unduly high. In the circumstances, the claim by the Group of High-level Intergovernmental Experts that the total entitlements of staff members had reached a level that gave rise to serious concern and that the level should be reduced did not appear to be valid.

23. The Commission noted that since 1946 the education grant had been paid for the education of children, including post-secondary studies, up to age 21 in their home country. In 1955, this had been extended to attendance at local special national schools and international schools. In 1971-1972 the United Nations Special Committee for the Review of the United Nations Salary System had recommended the extension of the age-limit; the Commission subsequently had made similar recommendations and in 1978 the General Assembly, in resolution 33/119 of 19 December 1978, approved use of the grant up to the end of the fourth year of post-secondary studies or the award of the first recognized degree, whichever was earlier, and its extension to the country or area of the duty station. In 1982, the Commission had recommended, and the General Assembly had approved, in resolution 37/126 of 17 December 1982, that nationals returning from another duty station to their home country could receive the grant for the balance of the school year. Other international organizations had similar provisions, while some countries provided free or nearly free university tuition to qualifying nationals or granted scholarships and tax relief or made other concessions that might not be available to expatriate United Nations system staff. The Commission further noted that the reasons for providing assistance to internationally recruited staff members in the post-secondary education of their children had not changed and that the need had rather grown, since on average United Nations system staff in the

Professional and higher categories and experts were recruited in mid-career and about 90 per cent were expatriate, whereas at the inception of the United Nations system a lower percentage were expatriate. It also noted that over the years the number of Member States had increased from 51 to over 150 and the number of duty stations, particularly in the field, had increased from just a few to some 600 at the present time.

24. The Commission reiterated its conclusion drawn in 1978 that, if the General Assembly had decided subsequent to 1946 that post-secondary studies up to a certain age-limit should be eligible for reimbursement under the education grant, it would have to have very strong reasons for recommending now a change in that constant policy. No such reasons had been advanced; on the contrary, in the light of the general trend towards the expansion of post-secondary education, it would be anomalous to adopt a position more restrictive than that of 30 years ago. In reaching that conclusion, the Commission did not overlook the fact that many national Governments, including the one whose civil service was taken as the comparator for salary purposes, did not provide assistance (other than travel grants) for the post-secondary studies of children of their expatriate staff. However, the Commission was of the opinion that such comparisons must be made with caution, particularly where post-secondary studies were concerned, because the patterns of expatriation of such national officials and international civil servants were often significantly different. A diplomat was transferred from country to country more regularly than most international civil servants and, from time to time during his career, might serve for a period in his home country; his or her children were likely thereby to maintain closer ties with the home country than would children of international civil servants, who were often brought up entirely outside their parents' country; and the diplomat's children were thus also perhaps more likely as a matter of course to attend university in the home country.

25. In connection with annual leave, it was noted that the argument regarding the staff's expatriate status could be reasonably used only to justify the annual leave granted to staff in the Professional and higher categories. Information provided to the Commission showed that expatriate leave entitlements of other international organizations and of a number of national civil services, including home leave and local national public holidays, added up to more than 30 days per annum. Regarding staff in the General Service category, their annual leave had to be justified on other grounds, namely, best prevailing conditions of service. In this connection the Commission noted that at a number of headquarters duty stations 30 days of annual leave and 9 public holidays were comparable to similar benefits provided by the best local employers, and in some cases even this package was less than what was provided locally.

26. In reviewing recommendation 42, on the issue of harmonization of staff regulations, the Commission noted that it had requested its secretariat to conduct a study on the harmonization of staff regulations of organizations of the common system and the continuation of this study was included in its proposed work programme for 1988-1989. While the Commission would therefore make recommendations on the development of common staff regulations to the organizations of the common system, including the United Nations, it understood that the United Nations would co-ordinate its effort in this area with those of the Commission and its secretariat.

27. While considering recommendation 43, dealing with competitive examinations, the Commission noted that its previous recommendations in this area b/ were

certainly relevant to the United Nations. In addition, the Commission had made recommendations on interviewing techniques and the testing of the drafting abilities of candidates. It therefore considered that recommendation 43 was in line with the Commission's previous recommendations in this field.

28. Regarding recommendation 45, on the issue of eligibility of staff for permanent appointments, the Commission recalled that its earlier recommendation of five years 6/ was made to cover the whole common system and was not intended as a minimum requirement for a career appointment. It considered the period of three years to be applied by the United Nations to be an improvement.

29. With reference to recommendation 48, on career development within occupational groups, the Commission recalled its earlier recommendations in this area. 7/ On various occasions the Commission had emphasized the need for mobility of staff and noted that career development should certainly be implemented on as wide a basis as possible and should, in fact, not be limited to occupational groups. Careers should be developed by occupational and related groups in each organization and at each duty station to facilitate horizontal as well as vertical mobility.

30. In connection with recommendation 49, on the issue of mobility, the Commission observed that there was a general lack of mobility in the United Nations system. The Commission emphasized the necessity of encouraging mobility and linking it with career development. It was noted, however, that some organizations would always, due to the nature of their programmes and the fact that their location was confined to a single duty station, have limited possibilities for mobility.

31. Regarding recommendation 50, dealing with performance evaluation, the Commission recommended that the organizations should take into account the framework of performance appraisal principles and the guidelines developed by its secretariat and that they should regularly appraise the performance of all staff members up to the D-1 level. In addition, the Commission recommended that the organizations should make their performance appraisal systems consistent with the performance appraisal principles and guidelines no later than 1 July 1992. In this connection, the organizations were requested to send their performance appraisal systems and forms to the ICSC secretariat for appropriate consultations.

32. While reviewing recommendation 52, concerning the strict application of the mandatory age of separation from service, the Commission recalled that on two previous occasions it had not recommended a change in the mandatory age and that it had decided to keep the matter under study and to revert to the issue at a more appropriate time. 8/ The Commission reiterated its view that the mandatory age of separation from service should meanwhile be applied as strictly as possible.

33. Concerning recommendation 55, on the issue of geographical distribution, the Commission reiterated its view that the ratio of permanent to fixed-term staff per Member State was an issue for the legislative bodies of organizations to decide upon based on the different needs of each organization. 9/ It recalled its earlier conclusion that organizations had the flexibility to determine ratios of permanent and fixed-term staff according to the particular needs of their programmes.

34. With reference to recommendation 57, regarding the ratio of permanent to fixed-term staff, the Commission expressed the same view as for recommendation 55, to the effect that it was for the legislative bodies of the organizations to decide upon these matters and that organizations had the flexibility to establish such

ratios on their own. In recalling its previous consideration of the issue 9/ reflected in recommendations 55 and 57, the Commission had not deemed it appropriate to base its conclusions on national quotas.

35. In considering recommendation 58, on the subject of training, the Commission recalled its earlier recommendations in this area, 10/ which should be used as guidelines for the implementation of that recommendation by the United Nations.

36. Regarding recommendation 60, dealing with the system of administration of justice, the Commission was informed that the working group set up by the United Nations to review the functioning of the organization's appellate and disciplinary processes had already completed its work. The Commission regretted that its role in this matter had been overtaken by events. It noted that, while the Secretary-General would no doubt be reporting on his findings in respect of the United Nations, the Commission had already decided to study this matter with regard to the common system and to report to the forty-fourth session of the General Assembly.

37. Regarding recommendation 4, on the issue of meeting of United Nations bodies at their respective headquarters or at the invitation of Governments, it was recalled that, according to article 1, paragraph 1, of the ICSC statute, the Commission was established for the regulation and co-ordination of the conditions of service of the whole United Nations common system and not only for the United Nations. As early as 1975, the Commission had established rule 4 of its rules of procedure, which the General Assembly had taken note of and which laid down the principle that the Commission might meet away from United Nations Headquarters at the invitation of one of the participating organizations. Since 1975 the Commission had met regularly at other duty stations in order to maintain appropriate links with other organizations in the common system. The Commission noted the discrepancy between rule 4 of its rules of procedure, which made it possible for it to meet anywhere at the invitation of a participating agency, and resolution 40/243 of 18 December 1985, which limited it to meeting either at the Commission's headquarters, New York, or at the headquarters of a participating agency. The Commission had frequently expressed the view that it was useful to meet from time to time at a field duty station. The Commission felt that it had the flexibility to propose such a meeting, if appropriate, to the General Assembly.

38. Regarding recommendation 9, dealing with the subject of inter-agency co-ordination and ad hoc arrangements, the necessity of streamlining inter-agency co-ordination was an objective in line with the Commission's efforts to maintain and improve the common system in eliminating disparities in the conditions of service of common system staff. Every year, in considering the Commission's annual report the Assembly had recalled the co-ordinating role of the Commission and had taken decisions on individual recommendations of the Commission that had consequently affected actions of individual organizations and thereby promoted inter-agency co-ordination on these matters. Under article 17 of its statute, the Commission, moreover, reported annually to the General Assembly on the implementation of its decisions and recommendations by organizations, thereby facilitating the work of the Assembly and other legislative bodies in co-ordinating the conditions of service of the staff of different organizations.

39. The Commission further noted that ACC, which consisted of executive heads of the United Nations and related agencies, was chaired by the Secretary-General, who, together with his representatives, participated actively in the deliberations of

the General Assembly, which had primary legislative authority in the co-ordination of conditions of service among the United Nations and related agencies. The Secretary-General was therefore in a unique position to promote inter-agency co-ordination. Not only did the Secretary-General communicate recommendations of the Commission and decisions of the Assembly to the executive heads of the other organizations pursuant to article 24 of the Commission's statute, but he also led the inter-agency consultations on conditions of service of staff, including problem areas, following which he informed the Commission and the Assembly of the collective views of ACC.

40. The Commission also observed that at the field level the differences in treatment of staff by different organizations could range from minor administrative details to major differences in the administration of benefits having significant financial implications. The important role of the United Nations resident co-ordinator in helping resolve such differences in consultation with the headquarters of all organizations was emphasized, and the active support of organizations in this regard was considered crucial. The ICSC Chairman and secretariat had from time to time drawn such discrepancies to the attention of the organizations in CCAQ, and improvements had been achieved through that body.

41. In reviewing recommendation 46, the Commission recalled that it had actively pursued efforts to increase the recruitment of women in the organizations. In 1985 it had adopted a number of recommendations aimed at improving the overall proportion of women in the Professional and higher categories, in particular at senior levels and in areas related to the mainstream, substantive work of the organizations. 11/ Following these recommendations, the General Assembly had, at its fortieth session, adopted resolution 40/258 B of 18 December 1985, reiterating, inter alia, its request to Member States to support the efforts of the organizations of the common system to increase the proportion of women in the Professional and higher categories. The Commission noted the limited progress in the organizations and decided therefore to reaffirm the validity of its previous recommendations and to continue to monitor progress on the status of women in the organizations on the basis of biennial progress reports and in alternate years statistical data from the organizations.

42. Regarding recommendation 51, on promotion policy, the Commission concluded that recommendation 51 was in line with its previous recommendations on promotion policies. 12/ However, reservations were expressed concerning the structuring of appointment and promotion bodies "on the basis of occupational groups". The Commission considered rather that a single body composed of members from a number of occupational groups could ensure more consistency and fairness so that when considering the appointment and promotion of staff within any given occupational group they would, at the same time, ensure consistency with other occupational groups.

43. While considering recommendation 59, dealing with the role and functions of the Staff Union of the United Nations, the Commission noted that to date it had not specifically addressed the issue of staff-management relations. It had nevertheless done so implicitly through its recommendations in related areas such as promotion policy and performance evaluation. With respect to the modalities concerning the role, functions and financing of staff unions, it found that these fell more within the purview of the individual organizations.

Recommendations of the Commission

44. The Commission decided in regard to recommendations 53 and 61:

(a) To recommend that the mandate of the Commission should not be modified since its monitoring function was already clearly covered by articles 1, 9, 13, 14 and 17 of its statute;

(b) To reiterate its earlier recommendations regarding the education grant for post-secondary studies 13/ and to recommend that the existing entitlement not be changed;

(c) To recommend that the current annual leave entitlement of 30 days per annum should not be changed.

45. In respect of recommendations 42, 43, 45, 48-50, 52, 55, 57, 58 and 60, the Commission decided:

(a) To advise the Secretary-General that it would study the issue of the harmonization of staff regulations under the proposed work programme for 1988-1989 and that it understood that the United Nations would co-ordinate its efforts in this area with those of the Commission and its secretariat (recommendation 42);

(b) To reiterate its previous recommendations in the area of competitive examinations, interviewing techniques and testing of candidates 14/ and to advise that recommendation 43 was in line with those recommendations;

(c) To welcome a minimum period of three years for permanent appointment in the United Nations (recommendation 45);

(d) To reiterate its previous recommendations on career development 15/ and to recommend that this should not be limited to occupational groups, but should include related groups as well (recommendation 48);

(e) To emphasize the necessity of encouraging mobility and linking it to career development (recommendation 49);

(f) To recommend that the United Nations should take into account the framework of performance appraisal principles and guidelines adopted by the Commission at its twenty-sixth session (recommendation 50);

(g) To reiterate its view that the mandatory age of separation from service should meanwhile be applied as strictly as possible pending its expected review of the subject (recommendation 52);

(h) To reiterate its previous view that the issue of ratios of permanent to fixed-term staff was an issue for the legislative bodies of organizations to decide upon on the basis of the different needs of each organization 16/ (recommendations 55 and 57);

(i) To reiterate its previous recommendations regarding training, 17/ which should be used as guidelines for the implementation of recommendation 58 by the United Nations;

(j) To emphasize that it would study the question of the administration of justice in the common system as included in its proposed work programme for 1988-1989 and that the Commission would report on this matter to the General Assembly at its forty-fourth session (recommendation 60).

46. With regard to recommendations 4, 9, 46, 51 and 59, the Commission decided:

(a) To note the discrepancy between rule 4 of its rules of procedure and resolution 40/243 and to express the view that it had the flexibility to propose holding a meeting at a non-headquarters duty station if appropriate (recommendation 4);

(b) To emphasize that the enhancement of the common system should be actively pursued through ACC and CCAQ and, at the field level, with the assistance of the resident co-ordinator as well as through the Commission itself (recommendation 9);

(c) To welcome recommendation 46, concerning the recruitment of women, which was in line with the Commission's previous recommendations in this area;

(d) To note that recommendation 51, on promotion policy, was in line with the Commission's previous recommendations in this area, 18 but to advise that appointment and promotion bodies should be composed of members from a number of occupational groups;

(e) To note that the issue of the role, functions and financing of staff unions fell more within the purview of the individual organizations (recommendation 59).

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

47. In accordance with the mandate given by the General Assembly, the Commission continues to keep under review the relationship between the levels of net remuneration of the United Nations and the United States federal civil service, the present comparator. By resolutions 40/244 and 41/207, the Assembly requested the Commission to develop further the methodology for calculating the margin based on net remuneration (for details, see paras. 53 to 87 of the present report). The present comparison had been made, following past practice, on the basis of the net remuneration of the officials of the two civil services with a dependent spouse but no children and between the headquarters of the two systems, i.e. New York for the United Nations common system and Washington, D.C., for the United States federal civil service. Differences in cost of living between the two cities were also taken into account in the margin calculations. Grade equivalencies, as approved by the Assembly in its resolution 34/165 of 17 December 1979, were used for the purposes of margin calculations. The calculations were averaged over the 12-month period 1 October 1986 to 30 September 1987.

48. Subsequent to the previous report of the Commission to the General Assembly, the United States Tax Reform Act of 1986 had been signed into law. That Act, besides bringing about fundamental changes in the United States federal system of taxation, also had certain implications for the margin calculation concerning the netting down of United States federal civil service salaries used in the present calculations. Two alternative margin calculations were considered. They were based on the use of: (a) 1986 income tax rates and 1983 statistics for itemized and standard deductions (latest data available); or (b) 1988 income tax rates and 1988 estimates of itemized and standard deductions.

Views of the organizations and the staff representatives

49. The Chairman of CCAQ took note of the margin for the reference period October 1986 to September 1987. He recalled the proposals of CCAQ at previous sessions of the Commission that the reference period for margin calculations should be changed to correspond to the calendar year, in order to coincide with the period covered by United States federal civil service salary increases, a proposal that had met with some support from within the Commission. The organizations favoured the use of 1988 income tax rates together with 1988 estimates of itemized and standard deductions, since these were more than likely closer to reality than the 1983 statistics, which were out of date as they related to practices that existed prior to the Tax Reform Act of 1986. The current level of the margin raised the question of the operation of the post adjustment system within the approved margin range. It was the expectation of ACC that appropriate and timely steps would be taken to ensure that when the margin dropped below the mid-point of the range the freeze on post adjustment would be lifted and an additional class or partial class would be granted to the staff stationed in New York.

50. The President of FICSA took note of the margin and recalled the Federation's proposal to use the calendar year as the reference period. Concerning changes in United States federal tax rates, she expressed support for the use of 1988 tax rates and statistics, since they were the most accurate for purposes of the margin calculations. In view of the freeze on post adjustment, which had been in effect for three years, the margin had to be calculated with the utmost precision. The President of FICSA expressed dissatisfaction at the fact that she had to comment on the evolution of the margin without having received the document on the methodology for the margin calculations.

51. The representative of CCISUA took note of the level of the margin.

Conclusions of the Commission

52. The Commission decided to apply the 1988 income tax rates and the corresponding estimates of tax statistics for netting down United States federal civil service salaries. It took note of the margin level of 116 for the period 1 October 1986 to 30 September 1987 calculated on the basis of the existing methodology. Details of the margin calculations are provided in annex IV to the present report.

2. Methodology for the calculation of the net remuneration margin

53. General Assembly resolution 41/207, section I, reads as follows:

"The General Assembly,

"Noting that, as regards the broad principles for the determination of the conditions of service of the staff, the role of the International Civil Service Commission, under article 10 (a) of its statute, 1/ is to make recommendations to the General Assembly,

"Recalling that by its resolution 40/244 of 18 December 1985, the General Assembly approved the range of 110 to 120, with a desirable mid-point of 115, for the net remuneration margin, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time, and considering that the margin range should be maintained for some time,

"Noting that in its discussions in 1986 on recommendations ultimately to be placed before the General Assembly, the Commission, inter alia, agreed that remuneration comparisons should be carried out on the basis of the net remuneration of the two civil services in New York, and that the cost-of-living differential between New York and Washington, D.C. should not be taken into account in margin calculations, 2/

1/ Resolution 3357 (XXIX), annex.

2/ See Official Records of the General Assembly, Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2), paras. 69 (b) and 69 (c).

"Noting also that in paragraph 70 of its report, 3/ 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,

"Noting that the Commission, when reporting on the margin, has always taken into account the cost-of-living differential between Washington, D.C., and New York,

"Requests the International Civil Service Commission to review, taking into account the views expressed at the current session of the General Assembly, 4/ the issues dealt with in paragraphs 69 (b) and (c) of its report, 3/ and to submit to the Assembly at its forty-second session its recommendations on the methodology for calculating the margin based on net remuneration".

3/ Official Records of the General Assembly, Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2).

4/ Ibid., Forty-first Session, Fifth Committee, 23rd to 26th, 28th and 44th meetings and corrigendum.

54. In response to the above request, the Commission undertook a review of the two issues outlined under paragraphs 69 (b) and (c) of its annual report. The details of the Commission's deliberations are outlined below.

Views of the organizations and the staff representatives

55. The Secretary-General of the United Nations informed the Commission that ACC had held a special session on 21 June 1987 for the sole purpose of considering ways and means of remedying the continuing deterioration in conditions of service of the staff of the United Nations common system. Referring to the statement adopted by ACC, which was distributed to the Commission, the Secretary-General stated that the emphatic tone of that statement reflected the collective conviction of the organizations. He stated that ACC had taken an unequivocal position with regard to the exclusion of the Washington/New York cost-of-living differential from the margin calculations, adding that ACC was vigorously opposed to this exclusion as there was absolutely no technical justification for it. He noted that this element was used in the determination of the margin range for net emoluments recommended by the Commission and accepted by the General Assembly. When the Assembly was provided with the Commission's recommendation to exclude this element from margin calculations, it requested the Commission to review the matter. On behalf of ACC, the Secretary-General expressed the hope that the Commission, in keeping with its tradition of impartiality and objectivity, would reach conclusions and make recommendations that would be acceptable to all parties and would establish a solid and unquestionable basis for the computation of the margin.

56. The Chairman of CCAQ said that when the General Assembly had set the existing margin range of 110 to 120, with a desirable mid-point of 115, it had taken into account a set of factors, one of which was the inclusion of the cost-of-living differential between Washington, D.C., and New York. There was therefore no justification for changing that factor without adjusting the margin range

accordingly. CCAQ favoured the continued inclusion of the cost-of-living differential factor in margin calculation and the retention of the existing margin range for two fundamental reasons. First, the salary structure of Professional staff of the common system was based on the principle of equivalency of purchasing power between all duty stations, by reference to the base of the system, New York. That principle implied that the comparison with the United States federal civil service should be made with the base of the comparator, Washington, D.C. If the cost-of-living comparison were made, not with the base of the comparator but with another duty station, on the ground that salaries were the same in that duty station as at the base, logic would dictate that the United Nations system should also pay the same to its staff employed at the base of the comparator (Washington, D.C.) and the base of the United Nations system (New York). In other words, the post adjustment in Washington, D.C., should be the same as that in New York. Such logic would introduce an inconsistency of its own as regards purchasing power equalization. Second, the exclusion of the cost-of-living differential factor would be inconsistent with the fact that grade equivalencies were established in Washington, D.C., for the United States and in New York for the United Nations. The Chairman of CCAQ added that a departure from a practice dating back several decades, which had already been the subject of review, would have to be based on compelling technical arguments. In the view of CCAQ, neither had such arguments been presented in the present case nor did they exist.

57. The President of FICSA noted that resolution 41/207 specifically requested the Commission to examine two of its recommendations for changing the net remuneration margin methodology. With regard to the place at which the comparison should be made, FICSA could not understand how the Commission could reconcile the establishment of grade equivalencies on the basis of a comparison with the federal civil service in Washington, D.C., with the use of New York for the margin calculations. The cost-of-living differential between Washington, D.C., and New York had been an inherent feature of the methodology and should not be abandoned unless convincing technical reasons could be provided. That differential was also an integral part of the United Nations salary system, which was based on the principle of equality of purchasing power. If the Commission were to decide to eliminate the cost-of-living differential between Washington, D.C., and New York, then as a logical consequence certain major changes in the United Nations post adjustment system would have to be made:

- (a) The post adjustment classification of Washington, D.C., would have to be raised to that of New York;
- (b) No duty station could have a post adjustment lower than New York;
- (c) Negative post adjustment would have to be abolished.

FICSA recalled that the General Assembly had not challenged other proposed changes in the methodology, such as the use of average salaries and the exclusion of bonuses and awards paid in the United States civil service.

58. The representative of CCISUA noted that there was no valid technical basis for the Commission's recommendations to base the net remuneration margin comparisons in New York for both services and to eliminate the cost-of-living differential. In particular, the representative stated that elimination of the cost-of-living differential constituted a departure from the principle of equalization of purchasing power, which was the basis for the United Nations system of

remuneration. The representative requested the Commission to base its decisions on technical considerations and not to be led exclusively by practices in the comparator civil service that might be based on national political considerations.

Discussion by the Commission

(a) Introduction: purpose and context of review

59. The Chairman, in explaining the background, stated that the issue of the cost-of-living differential in the margin calculations first arose seriously in the Fifth Committee during the fortieth session of the General Assembly, in 1985. At that time, some delegations had maintained that the margin of United Nations remuneration over that of the United States federal civil service was much higher than that reported by the Commission because the Commission included the cost-of-living differential between Washington, D.C., and New York in the calculations reported. In their view, this had the effect of distorting the fact that United Nations remuneration was too high in relation to that of the comparator civil service and should, therefore, be reduced. In view of this, the General Assembly requested the Commission in its resolution 40/244 "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 General Assembly at its forty-first session". The original draft of that resolution would have requested the Commission "to study the possibility of calculating the margin ... based on a comparison of net remuneration for both services in New York, thus eliminating the rationale for a cost-of-living differential between Washington, D.C., and New York". However, in the interest of preserving a consensus, the phrase "thus eliminating the rationale for a cost-of-living differential between Washington, D.C., and New York" was omitted. This was acceptable to those who advocated the elimination of the cost-of-living differential.

60. The preambular paragraphs in resolution 41/207 gave an indication of some major concerns of delegates. Firstly, the Assembly requested the Commission to take into account the differences in the nature and functions of the international civil service and the comparator civil service. Secondly, the Assembly reminded the Commission that it had already approved the current margin range of 110 to 120 with the mid-point of 115 in its resolution 40/244 "on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time, and considering that the margin range should be maintained for some time". Thirdly, the Assembly noted that the cost-of-living differential had always been taken into account before. The conclusions of the Commission in paragraphs 69 (b) and (c) of its twelfth annual report, 3/ did not, therefore, appear to the General Assembly to meet the concerns enumerated above. Fourthly, the Assembly reminded the Commission "as regards the broad principles for the determination of the conditions of service of the staff, the role of the International Civil Service Commission, under article 10 (a) of its Statute, is to make recommendations to the General Assembly". Thus, by requesting the Commission in the operative paragraph of section I of its resolution to submit recommendations, it implied that it was not for the Commission to take decisions on such changes. Fifthly, the Assembly requested the Commission to take into account the views expressed by delegations in the Fifth Committee.

(b) General comments

61. Some members expressed the view that sufficient explanation had not been provided by the Commission to the General Assembly on the need for the changes it had decided upon and their implications for staff entitlements and felt that the Assembly might have thought that the Commission was seeking to reduce staff entitlements. The Chairman explained that all necessary clarifications had been provided to the Fifth Committee and that the summary records revealed clearly that the problem for most delegates was that they were not convinced by the arguments for the changes decided by the Commission. It was also pointed out that the word "review" was used in order to preserve the consensus of the resolution. Some members did not interpret this "review" as requesting strongly held positions to be changed. One member recalled that in 1984 when the General Assembly requested the Commission to reconsider its decision on the increase in the New York post adjustment the Commission had changed its position. Another member noted that the Assembly used the word "review" rather than "reconsider" in the current instance. Therefore, these situations were distinctly different. Finally, the member pointed out that, regardless of whether the word "review" implied a desire or request for a different outcome, the Commission, as a group of experts, had a responsibility to do what was appropriate. The Commission however agreed that, whatever the outcome, it was essential to articulate fully to the Assembly an explanation of its decision in an effort to enhance understanding of its position on this issue.

62. During the discussion the secretariat drew the Commission's attention to the following facts: the League of Nations, following the Noblemaire principle, had recognized that a comparison of the remuneration of the international civil service and that of the comparator, at the time the United Kingdom, should be based on real net income on both sides. The League itself had, therefore, taken into consideration the cost-of-living differential in its comparisons. It had carried out the comparison on the basis of the headquarters of the League (Geneva) and that of the comparator (London). These principles had been reaffirmed and implemented consistently by every salary review body since then, as well as by ICSAB and the Commission. As late as 1974, ICSAB had noted the difficulties of making comparisons of the remuneration of two services in New York since the cost-of-living in New York was higher than that in Washington, D.C. ICSAB and other salary review bodies had not based their recommendations regarding salaries on the net remuneration comparisons alone and other factors had been taken into account, e.g. the movement of real income.

63. One member considered that the review of the methodology should have preceded the establishment of the margin range. Only after the completion of that review should the appropriate margin range between the remuneration of the two systems have been determined. In response, the secretariat recalled that when the General Assembly, at its thirty-ninth session, in 1984, requested the Commission to define a range for the net remuneration margin it had also mentioned that in the past the margin had ranged from 9.3 to 18.2. These margin figures were based on the methodology used by the Commission and accepted by the Assembly since 1976. It was only after the Commission submitted its recommendations regarding the net remuneration margin range that the Assembly in 1985 requested an examination of the margin methodology.

64. The question was also discussed as to whether to maintain the previous decisions of the Commission as outlined in paragraphs 69 (b) and (c) of its twelfth annual report, or to adopt new conclusions. Some members stated that, in

accordance with the rules of procedure, the previous decisions of the Commission remained valid until overturned by alternative conclusions adopted by a majority in the Commission. Another view was expressed that the previous decisions had not been accepted by the General Assembly and a review had been requested on completely different terms by the Assembly, which was expected to result in recommendations. A fresh determination should, therefore, be made as to what the Commission's recommendations should be after this review, which would necessitate a new vote.

65. In an effort to reach consensus, one member proposed that two calculations relating to the margin should be reported: (a) an unadjusted margin based on the actual difference between net remuneration of the United Nations and that of the United States professional staff; and (b) an adjusted margin based on net remuneration adjusted by the difference between the cost of living in Washington, D.C., and New York. Some members, however, were of the view that several margin calculations would confuse the General Assembly. Others suggested that a margin based on a total compensation comparison including expatriate benefits should be submitted to the Assembly.

(c) Consideration of substantive issues

66. In addressing the substantive issues relating to the request from the General Assembly, two broad views emerged within the Commission: (a) one that favoured maintaining the Commission's decisions as outlined in paragraphs 69 (b) and (c) of its twelfth annual report; and (b) another that favoured maintaining the relevant aspects of the current methodology.

(i) Alternative (a)

67. Some members of the Commission favoured the first alternative. These members based their views on the following considerations:

(a) Pay in the United Nations system was set at levels that, in accordance with the Noblemaire principle, would permit the United Nations to recruit and retain staff from all Member States, including those Member States with the highest national civil service pay levels. In practice, this had meant that pay in the United Nations was set by reference to the highest-paying Member State. Implementation of this policy required answering two related but conceptually separate questions:

- (i) What is the difference between United Nations pay and pay for the highest-paying (or "comparator") national civil service?
- (ii) At what margin above the pay of the comparator civil service should United Nations pay be set in order to attract the most highly qualified people from all Member States?

(b) The calculation of the actual margin by which United Nations pay exceeded the pay of the comparator civil service (the United States) was basically a factual matter that, within the framework of the particular calculation method chosen, admitted of a technically "correct" answer. The establishment of an appropriate margin, was, on the other hand, a policy decision that might not readily admit of any one clear answer. The issue at hand was the calculation of the actual margin. Whether that actual margin, once calculated, was deemed to describe United Nations pay that is too high or too low was irrelevant to the calculation itself.

(c) The current margin calculation method involved two steps, grade equivalency determinations and pay comparisons.

68. The establishment of grade equivalencies, the first step in the margin calculation process, was most recently described in document ICSC/23/R.4 of 21 January 1986:

(a) As described in paragraphs 15 and 16 of that document, the selection of jobs for inclusion in the equivalency study was based on the relative numbers of staff performing particular jobs throughout the United Nations common system and was not limited to New York. While many of the staff in the identified jobs worked at United Nations Headquarters in New York, many did not.

(b) Jobs on the United States side were chosen from among those jobs in the United States civil service that were located in Washington, D.C., and this, on the basis of job title, appeared to be similar to the statistically most important United Nations jobs. The universe from which United States jobs were chosen was currently limited primarily but not exclusively to Washington, D.C., simply because it was administratively convenient to do so. Ideally, United States jobs would be chosen from an employment universe of the entire United States civil service. In view of the wide variety of United States jobs that were found in Washington, D.C., and the fact that the United States employed a uniform job-grading system nation-wide, a selection of Washington, D.C.-based United States jobs was an adequate surrogate for the United States civil service as a whole. Thus, it would be accurate to describe the current grade equivalency study as one that compared the grade structures of the two systems, not a study that compared a geographically limited (and by implication peculiar) part of one system with a geographically limited part of the other.

69. The entire grade equivalency portion of the margin calculation could be made without reference to pay rates in either the United Nations or the United States system. Once the grade equivalency portion of the process was completed, it remained to compare rates of pay:

(a) United Nations pay rates were not identical throughout the world; they varied from location to location in order to meet the objective of equalizing purchasing power. Pay rates at all locations were, however, based on comparisons with New York, i.e. the purchasing power of pay in New York was replicated in other locations. Thus, United Nations pay rates in New York at the base of the system were appropriately used in the comparison with United States rates.

(b) The United States pay structure was somewhat different from that of the United Nations. There was a single pay table, called the General Schedule, that applied throughout the contiguous 48 States, including both New York and Washington, D.C. For white-collar positions (comparable to those in United Nations grades P-1 to D-2) pay rates did not relate to a geographical location. (Employees living outside the contiguous 48 States - Guam, Alaska, Puerto Rico, Hawaii and the Virgin Islands - were eligible for a cost-of-living allowance in addition to their General Schedule pay rates. These allowances were not part of base pay, and they did not affect other pay entitlements; for example, allowances were not considered in calculating pensions.) Since the United States did not have a "base city" for pay purposes, it was appropriate to use the basic pay table for the United States jobs, that is, the rates of the General Schedule.

70. The General Assembly had asked the Commission to review the correctness of including the cost-of-living difference between Washington and New York in the margin calculation. These members believed such an inclusion was incorrect and should be eliminated. This conclusion, however, did not mean that it was inappropriate for the United Nations system to recognize internally the cost-of-living differential in the application of its pay system. Indeed, there was no need for the United Nations pay system to parallel the United States pay system.

71. These members recognized that the cost-of-living differential had been included in the calculation of the margin in the past; however, since it was technically inappropriate, it should be removed from the calculation in the future. As noted earlier, the margin calculation involved two separate but sequentially linked steps:

(a) The first step, the establishment of grade equivalencies between United Nations and United States jobs, was not accurately described as a comparison between New York and Washington, D.C.: United Nations jobs were selected from the world-wide United Nations population, not just the New York population; and United States jobs, while selected from Washington, D.C., were actually surrogates for the entire United States civil service population.

(b) In the second step of the pay comparison, New York pay rates were used on the United Nations side because New York is the base of the United Nations pay system. Pay rates chosen for comparison purposes on the United States side should properly be the rates used at the base of the United States system. For the United States, these rates were the rates of the single General Schedule, which applied throughout the United States, including both New York and Washington, D.C.

72. Based on the foregoing analysis, it should be apparent that adjusting United States salaries by the New York/Washington, D.C., cost-of-living difference was unnecessary and, indeed, technically inappropriate. A comparison of United Nations pay and United States pay that took account of this cost-of-living difference misstated the differences that actually exist:

(a) "Misstated", as used in this paragraph, was neutral in value. The comparison process was intended to describe what the difference in United Nations and United States pay is, not what the difference should be.

(b) The margin calculation by itself did not indicate whether United Nations pay is too high or too low. Rather, the margin provided the factual basis on which a policy judgement could be made about where pay ought to stand. It was in the nature of policy judgements that they could change from time to time.

73. The members favouring the exclusion of the cost-of-living factor from the margin calculation were unanimous in their view that the inclusion was technically inappropriate. These members held differing views on the implications of the exclusion.

74. Some of these members emphasized that the decision to exclude the cost-of-living factor should not have the effect of prolonging the period of the current freeze on New York salaries that had begun in August 1984. It would become necessary to redefine the margin range as a result of the changes relating to the net remuneration margin methodology. These members noted that the margin range

recommended by the Commission to the General Assembly in 1985 was based on the levels of the margin, including the cost-of-living differential, for the period 1976-1985. Had the cost-of-living differential not been taken into account, the average margin for the period would have been approximately 124. On that basis, the margin range, corresponding to the margin methodology that excluded the cost-of-living differential, would have been around 115 to 125, with a desirable mid-point of 120. These members felt that, if it were not the Commission's intention to reduce staff entitlements, it would be logical to increase the margin range. One member considered that this should be a one-time recommendation. After adjusting the margin range (115 to 125) and the margin itself (a desirable mid-point of 120), the implementation of all the Commission's decisions, as reflected in paragraph 69 of its report, would have a favourable result for the staff, hastening somewhat the next post adjustment increase for New York.

75. Some other members of this group held the view that, while it was not the intention of the Commission to reduce entitlements, neither was it logical to conclude that the desirable margin must automatically be redefined to reflect a single change in the calculation methodology. Several other changes in the calculation of the margin have occurred during the period 1976 to 1985, and further changes, other than the cost-of-living change, are proposed for the future. Most of the past changes served to reduce the margin. For example, the calculation of net remuneration received by United States civil servants was modified by:

- (a) Using proposed salaries for senior executives rather than actual amounts received by them (this practice was in effect for 4 of the 10 years in the average);
- (b) Including bonuses and special performance awards received by senior executives (current recommendations called for changing this);
- (c) Changing the grade equivalencies of the P-5 and higher levels;
- (d) Changing the method for netting down taxes.

The proposal to change from use of the first step of the pay grade to use of the actual average pay received would also serve to reduce the margin; according to the Commission's report to the General Assembly at its fortieth session, this change alone would reduce the margin by three points.

76. One member favouring the exclusion of the cost-of-living differential felt nevertheless that expatriates newly assigned to New York should receive this cost-of-living differential for the first one to two years because of the extra costs they faced over nationals of the comparator country, with which they were not adequately acquainted.

77. The members of the Commission whose views are outlined in paragraphs 67 to 75 above concluded that in calculating the actual difference the net remuneration of the international civil service in New York should be compared to the net remuneration of the comparator system. It was not technically correct to include the cost-of-living differential when calculating the actual difference in net remuneration.

(ii) Alternative (b)

78. Other members of the Commission favoured the latter of the two alternatives indicated in paragraph 66 for the reasons outlined below in paragraphs 79 and 80.

79. These members were of the view that the directive given by the General Assembly in the operative paragraph of section I of resolution 41/207, namely, to review, taking into account the views expressed at the forty-first session of the Assembly, the issues dealt with in paragraphs 69 (b) and (c) of its report to the Assembly at that session, was a direct result of the concern felt by many delegations at that session that the proposals contained in those two paragraphs were not consistent with the position adopted by the Commission on those and related issues in the past. These members felt that, as reported by the Commission in its second annual report to the General Assembly, "the comparison between the 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" 19/ for the following reasons:

(a) At its very inception, the Commission had decided that, in keeping with the principle of representativity, the remuneration comparison should be limited to national civil services employing significant numbers of staff at the relevant levels. The statistics provided to the Commission clearly showed that in jobs included in the equivalency study on the comparator side, there were 57,662 incumbents in Washington, D.C., compared with 2,416 in New York.

(b) In its report to the General Assembly at its forty-first session, the Commission had, in paragraph 69 (a), stated that 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. Therefore, if the grade equivalencies were based on the United States side on jobs in Washington, D.C., there was no reason why the remuneration comparison should be on the basis of the remuneration of both services in New York. The argument that the United States federal civil service jobs found in Washington, D.C., could be extrapolated to New York to enable the comparison to be carried out in New York was difficult to accept since, in the first place, those jobs did not exist in New York, and secondly, the extrapolation would not be consistent with United States policy, which took into account the cost-of-living differential in some parts of the United States, namely, Alaska, Guam, Hawaii, Puerto Rico and the United States Virgin Islands, and not in others.

(c) The principle of universality would require that, whichever country was chosen as the comparator, the headquarters of the Government of that country must be taken for comparison purposes. Comparison could therefore be made only between headquarters, in this case between Washington, D.C., for the United States federal civil service and New York for the United Nations common system. Likewise, if France or the Federal Republic of Germany one day becomes the comparator country, the comparison would necessarily have to be made between New York on one side and Paris or Bonn on the other.

80. As a direct corollary to the position stated in the preceding paragraphs, these members were also of the view that the proposal contained in paragraph 69 (c) of the Commission's report to the General Assembly at its forty-first session on the exclusion of the cost-of-living differential between New York and

Washington, D.C., was also technically unsound and, therefore, inapplicable for the following additional reasons:

(a) For a comparison between the remuneration in two different locations to be meaningful, it was inescapable that the difference in the cost of living between the two locations should be taken into account. Otherwise the results of the margin comparison would be misleading and could have serious implications with regard to the rationale for maintaining a margin between the remuneration levels of the two services.

(b) It should be recalled that the Noblemaire formula applied by the League of Nations even in 1920 approved a comparison based on net real income and therefore included among its major elements the difference between the level of the cost of living in London, the capital city of the best-paying country at that time, and at Geneva, the headquarters of the League of Nations. This concept and practice have been implemented by all salary review bodies and ICSAB since then.

(c) When it was agreed more than 10 years ago that Washington, D.C., should be used as the basis for purposes of the Noblemaire formula calculations, inasmuch as Washington, D.C., had the largest concentration of United States federal civil servants, it was clearly stated that such an approach would have the effect of applying a New York/Washington, D.C.-cost-of-living differential factor to the United States civil service salaries in determining the remuneration appropriate for New York. In practice, ever since 1976, the margin definition adopted by the Commission had always been based on net real remuneration and therefore had taken into account the cost-of-living differential between New York and Washington, D.C., and that aspect of the methodology had never been contested in the General Assembly. This is consistent with economic theory and practice, which require that comparison of cost and pay between cities should always take into account factors such as taxation and cost of living in order to arrive at the comparison in real terms. Hence the traditional United Nations practice of comparing the net real remunerations and, therefore, taking the cost-of-living differential into consideration.

(d) At its fortieth session in 1985, the General Assembly approved a range of 110 to 120, with a desirable mid-point of 115, for the margin, with the full knowledge that it took into account the cost-of-living differential between New York and Washington, D.C. To exclude the cost-of-living differential from margin calculations would inescapably mean changing the level of the margin and the margin range (110-115-120) already approved by the Assembly. However, that would be contrary to resolution 41/207, which stated that the margin range was approved "on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time, and considering that the margin range should be maintained for some time".

(e) The only justification provided for excluding the cost-of-living differential between New York and Washington, D.C., was the fact that for purely domestic reasons there was no differential between the remuneration of the United States federal civil service between New York and Washington, D.C. Even this general policy of the United States regarding the same pay in the continental United States was not uniform, since Alaska was part of the continental United States and the cost-of-living differential is taken into account in respect of that State. Other States were similarly treated in breach of that pay policy, as was indicated earlier. Furthermore, that argument posed some difficulties because it

overlooked the very important factor, clearly stated in the preamble to resolution 41/207, that account should be taken of the differences in the nature and functions of the international civil service and of the comparator civil service. A very important difference between the two systems was that in the United Nations common system remuneration was based on the principle of the equivalency of purchasing power, as was obvious from the differing post adjustment indices for New York and Washington, D.C., whereas the comparator country generally worked on the basis of equal pay in the continental United States. Since the post adjustment system was fundamental to the United Nations salary system, its basic principle, i.e. that of equalization of purchasing power, should be taken into account in all decisions relating to the remuneration package as it applied to United Nations staff in the Professional and higher categories. To exclude the cost-of-living differential in the United Nations/United States margin calculations would impose the United States pay methodology on the United Nations system, which was irrelevant in the context of the Noblemaire principle, which did not state how the comparisons should be carried out. The United Nations methodology conformed to its basic system and to universal economic procedures.

(f) There was a general acceptance of the principle that the United Nations system should not be a carbon copy of the United States system. It was even more important that specific aspects of the comparator civil service should not be taken into account on a selective basis in determining the level of remuneration of the United Nations staff. Just as the comparator service did not differentiate between the remuneration of its civil servants assigned to work in the continental United States (except Alaska), salaries were also not reduced below the base level even if the cost of living at a place either within the country or outside it was lower than that at Washington, D.C. As for the United Nations system, not only were remuneration amounts that were substantially lower than those applicable in New York, the base of the system, paid at several duty stations, but in several instances deductions in terms of negative post adjustments were made from base salaries. If one aspect of the comparator civil service, i.e. concerning no differentiation in salaries irrespective of the place of assignment within the continental United States (except Alaska), was introduced as an element of the United Nations system, then the other aspect, i.e. that regarding no negative adjustments to salaries at the base, should equally be taken into account. If only some elements of the comparator civil service and not others were taken into account on a selective basis, the Commission would be open to criticism from the organizations, from staff, as well as from the General Assembly and legislative bodies of other organizations of the common system.

81. For the reasons explained above, those members of the Commission whose views are outlined in paragraphs 79 and 80 above recommended that:

(a) The comparison of the net remuneration should continue to be based on New York (for the United Nations) and Washington, D.C. (for the comparator);

(b) The cost-of-living differential between New York and Washington, D.C., should continue to be taken into account in accordance with the current practice.

82. Finally, it should be noted that for the majority of the Commission's members the adoption of the methodology based on paragraph 69 of its twelfth annual report was not intended to affect adversely the level of remuneration of the international civil service at the base of the system at that time. Several others thought that

the foregoing statement was inappropriate since the margin methodology should be approached purely on technical grounds.

(d) Recommendation

83. In the light of the foregoing examination, taking into account the preamble of resolution 41/207 and the fact that the methodology for pensionable remuneration for the Professional and higher categories, which had a link with net remuneration, was expected to be reviewed in three years in accordance with resolution 41/208, the Commission, in accordance with its rules of procedure, recommends that the present net remuneration margin calculation methodology, as modified in paragraphs 69 (a), (d) and (e) of its twelfth annual report, should continue to be applied for the next three years, after which it would be reviewed and reported on to the General Assembly at its forty-fifth session. The Commission would therefore report annually to the General Assembly (a) on the actual difference between the net remuneration of the United Nations and the comparator civil service, and (b) on the margin as calculated at present and as modified above.

84. Four members objected to that feature of the recommendation relating to the implementation of paragraphs 69 (a), (d) and (e) since these aspects of the margin calculation methodology were inextricable from (b) and (c). For example, the decision relating to the place of the survey would have an impact on the calculation of average salaries. These members favoured postponement of recommendations on all components of the margin calculation methodology, rather than on selected pieces that would upset the balance represented by the combination of recommendations.

(e) Implications of the Commission's recommendation

85. On the basis of the above methodology the Commission would operate the post adjustment system within the margin range so as to ensure that the average level of the margin for the 12-month period would be as close to the desirable mid-point of 115 as possible. Immediately following a change in the United States federal civil service salaries, if any, as at 1 January of a given year, a new class of post adjustment, if due, would be granted to New York provided that the resulting level of net remuneration of United Nations officials when compared with that of the United States federal civil service employees resulted in a margin around 115 for the entire margin period. However, if the immediate implementation of a new class of post adjustment in New York resulted in an average margin higher than the desirable mid-point, then the granting of that class of post adjustment would be deferred to a later date. Under these circumstances the level of the margin for the period between 1 October and the date of implementation of the new class of post adjustment in New York would be lower than the desirable mid-point of 115. The level of the margin for the rest of the margin period, i.e. from the date of implementation of the new class of post adjustment to the end of the margin period, would be higher than the desirable mid-point. The average level of the margin for the entire 12-month period, however, would be as close to 115 as possible. Purchasing power of all other duty stations would be equalized at all times with that of New York within the framework of the post adjustment system.

86. The Commission invites the General Assembly to note that, on the basis of the current level of the margin (see para. 52 above), the proposed increase effective 1 January 1988 for the United States federal civil service employees and the change in the margin methodology as outlined under paragraph 69 (e) of the Commission's

twelfth annual report, the margin would drop to a level below 115 in 1988. In fact, it is anticipated that on the basis of the above considerations the margin as at 1 January 1988 would fall to a level below 112. The granting of the next post adjustment class in New York would result in an average increase in remuneration of some 3.1 per cent for the United Nations staff from the Professional and higher categories. Consequently, if the next class of post adjustment was granted in New York as at that date, then the margin would once again reach a level of around 115, which was the objective underlying the General Assembly's approval of the margin range and the procedure for the operation of the post adjustment system within that range. Had average salaries not been taken into account in the calculation of the United Nations/United States net remuneration margin, the next class of post adjustment would have become applicable in New York on approximately 1 June 1988. The effect of the modification to the methodology entailing the use of average salaries, therefore, was to advance the granting of the next class of post adjustment in New York by some five months. The granting of the next class of post adjustment in some of the other duty stations would also be advanced by a number of months varying between one and five. The financial implications resulting from the advancing of the post adjustment class to be granted to New York and some of the other duty stations would amount to some \$2.85 million in 1988. While some financial implications, although significantly lower than the amount mentioned above, would continue for some time beyond 1988, the exact amount could not be calculated at this time, as such calculations would depend on the level of the increase granted to the United States federal civil service employees in 1989 and beyond and the relative levels of inflation between New York and other duty stations beyond 1988.

87. At the request of two members additional information regarding the level of remuneration in New York and some of the other major headquarters duty stations is provided in annex V.

3. Comparison of total compensation between the United States federal civil service and the United Nations system

88. At its twenty-fifth session, the Commission initially reviewed a number of issues relevant to the continued use of the total compensation methodology in the context of comparisons of remuneration of officials of the United Nations common system and the United States federal civil service. Although the Commission had scheduled such a review as part of its work programme, the need for such a review was reinforced by the request of the General Assembly, in its resolution 41/207, to "examine the total entitlements (salaries and other conditions of service) of both services with a view to determining the feasibility and usefulness of a comparison and to report thereon to the General Assembly at its forty-second session".

89. Also, by its resolution 41/213, the General Assembly requested the Secretary-General to transmit to the Commission for its review those recommendations of the Group of High-level Intergovernmental Experts having a direct impact upon the common system. In the context of the total compensation methodology, recommendation 61 of the Group of High-level Intergovernmental Experts was of particular relevance, since it stated that:

"The total entitlements (salaries and other conditions of service) of staff members have reached a level which gives reason for serious concern and it should be reduced. In particular, the elimination of the education grant for

post-secondary studies and the establishment of a four-week annual leave system for all staff members should be considered for prompt implementation." 20/

90. In order to respond to the General Assembly, the Commission requested its secretariat to undertake a comprehensive total compensation comparison by including leave, work-hour elements and the new pension scheme provisions of both civil services and, particularly, by including expatriate benefits on both sides.

Views of the organizations and the staff representatives

91. The Chairman of CCAQ noted that the Commission was requested by the General Assembly to report on the feasibility and usefulness of a total compensation comparison and that the Commission was studying the question from the point of view of a comparison including expatriate benefits. After careful examination of the study, CCAQ concluded that a total compensation comparison, including non-expatriate as well as expatriate benefits, was perfectly feasible. He noted, however, that additional information was needed and that certain elements entering into the comparison on both sides required better definition.

92. CCAQ had always claimed that a total compensation comparison was an indispensable complement to the existing methodology of net remuneration comparisons. The Chairman of CCAQ further noted that ACC had emphasized that the Commission should agree to apply a more realistic basis for comparing United Nations/United States salaries, through a comparison on the basis of all benefits on both sides, including expatriate benefits. Organizations considered that this was the only correct way to take into account the fact that 90 per cent of their Professional staff are expatriate and that more than 55 per cent of them live in non-headquarters duty stations. CCAQ had never suggested that the comparison should be made with foreign service officials of the comparator but rather that the compensation of Professional staff should be compared to that of similar staff in the comparator civil service, which has about 39,000 staff members stationed abroad.

93. CCAQ recommended that the Commission should report to the General Assembly that, not only was a total compensation comparison feasible, but it would serve the purpose of improving considerably the comparison between the United Nations and the comparator. He shared the view of the ICSC secretariat that it was doubtful whether the Group of High-level Intergovernmental Experts would have reached the conclusions outlined in their recommendation 61 if it had had access to the results of a total compensation comparison made on the basis of a technically sound and well-documented methodology. He recommended that the Commission should request its secretariat to complete the total compensation comparison, the main elements of which have already been assembled, by the twenty-seventh session. He offered to make available additional information on the common system work-force to which CCAQ had access and which was required by the comparison.

94. The organizations could not agree with the view that it was unreasonable to make comparisons between permanent international civil servants and expatriate staff of the comparator posted abroad for short periods of time. In this regard it was pointed out that in the first instance not all staff working for the international civil service were career staff. Many staff members worked for the international organizations on fixed-term contracts for reasonably short periods of time and in fact some, particularly the project personnel, were on short-term assignments of less than five years. More importantly, however, such comparisons

were both valid and technically justifiable inasmuch as the comparisons were not intended to be carried out between individuals but on the basis of comparable jobs and the total package of salaries and benefits applicable to those performing identical duties in the two civil services. Consequently, the question of the length of service was not really relevant in the context of total compensation comparisons since the sum total of salaries and other benefits applicable to a selected standard population in the United Nations system were being compared with the total salaries-and-benefits package for the same standard population in the comparator civil service.

95. The President of FICSA recalled that, while FICSA had always believed that total compensation including expatriate benefits constituted the only meaningful basis for comparison, it had never underestimated the difficulties involved in such an approach. She expressed the view that the problems had now to a very large extent been resolved and she suggested that the Commission should be able to inform the General Assembly that the comparison of total compensation was both feasible and useful. She noted that at every duty station for which the comparison had been made, with the exception of New York, compensation in the common system compared unfavourably with that of the comparator, thereby indicating that the complaints made by executive heads concerning recruitment and retention difficulties were valid. The system could no longer compete with bilateral aid programmes and multinational companies in attracting the best economists, financial experts and other specialists. If FICSA was concerned about this, it was not primarily out of self-interest but from a belief that the United Nations system must be able to provide to the international community services of the highest quality. The total compensation comparison was also useful in the context of headquarters duty stations at which the vast majority of officials were expatriate, just as in the field. The secretariat's report provided the Commission with the means to refute the allegations made by the Group of High-level Intergovernmental Experts about the level of remuneration in the United Nations. It was also the basis upon which the Commission could take measures to make the system once again competitive enough to attract and retain staff of the highest calibre.

96. The representative of CCISUA expressed the view that total compensation comparisons, including expatriate benefits, were both feasible and necessary. He therefore supported the study undertaken and awaited the final results with great interest.

Discussion by the Commission

97. The Commission noted that the total compensation margin based on non-expatriate benefits stood at 113.7. It further noted that this margin included the effect of the changes in the benefit formula applicable to the United Nations common system staff hired on or after 1 January 1983 and the effect of the Washington/New York cost-of-living differential as it applied only to the salary component of the total compensation package. Except for these two modifications this total compensation margin was consistent with those reported previously to the General Assembly.

98. In addressing the issue of the feasibility and usefulness of total compensation comparisons, the Commission's discussions reflected two main points of view. One view was that total compensation comparisons were not only useful but also necessary in view of requests by the Assembly, the latest of which asked the Commission not only to "examine the total entitlements (salaries and other

conditions of service) of both services" (resolution 41/207) but also to review recommendation 61 made by the Group of High-level Intergovernmental Experts in the context of "total entitlements" and urging the elimination of the education grant for post-secondary education and the establishment of a four-week annual leave system. Therefore, if the Commission were to fail to include expatriate benefits in its total compensation comparisons it would in effect disregard both requests of the General Assembly outlined above. Members holding this view considered the inclusion of expatriate benefits in the total compensation comparison to be a logical extension of the existing methodology. These members did not agree with the view that the inclusion of expatriate benefits of the comparator would result in accounting for expatriation twice. They stressed that expatriate benefits and the element of expatriation within the overall margin were two entirely separate issues. As regards the view expressed by some members of the Commission that total compensation comparisons, particularly those including expatriate benefits, were inappropriate in view of the differences in the two civil services, these members agreed with the views expressed by the organizations in paragraph 94 above. They considered that the differences in the nature of the two civil services were not a valid basis for not carrying out total compensation comparisons since it is entitlements and equivalent jobs and not individuals and their careers that are the basis for total compensation comparisons. They favoured the inclusion of expatriate benefits in the context of continuing total compensation studies and considered the Assembly's previous reserve in approving the inclusion of expatriate benefits in total compensation comparisons to be due largely to cost estimates previously provided to the Assembly by the Commission on the item. It was noted that those cost estimates were no longer valid in view of the secretariat's current proposals, which anticipated modest costs based on simplified evaluation procedures as opposed to the sophisticated evaluation techniques previously envisioned. Furthermore, they were of the view that the Assembly had never indicated that total compensation comparisons were unnecessary and should be discontinued. This view held that it was useful to have some measure of an overall total compensation comparison for policy guidance and information purposes and that, if such a measure were to be relevant to the international civil service, then expatriate benefits should be included. In this connection they noted that the Commission itself had been using a total compensation approach to carry out General Service salary surveys since its inception and that the World Bank, the Canadian Government and the private sector also used the total compensation methodology extensively, proving that the methodology was both useful and feasible. These members stressed that only with periodic total compensation comparisons, including expatriate benefits, could the General Assembly gauge what the real position of the international civil service was in relation to that of the comparator civil service. Since non-expatriate benefits accounted for only approximately 70 per cent of the total remuneration packages (including expatriate benefits) applicable on both sides, the exclusion of expatriate benefits would provide the Assembly with only a partial picture of the comparison according to the Noblemaire principle.

99. The opposing view held that the methodology was not very useful, noting numerous technical difficulties and the high level of expenditure needed to produce results, the application of which would be subject to numerous unresolvable difficulties. Members holding this view noted that the technical problems associated with comparisons of one element alone - net remuneration - were significant and growing. Since similar problems would inevitably develop with each element added in a total compensation approach, the imprecision associated with each element would accumulate to unacceptable proportions in a total measurement.

One of these members considered, however, that total compensation comparison, including expatriate benefits, was useful as it would give a rough and approximate indicator of overall entitlements for both services at periodic intervals. Another member noted that comparisons had already been made on net remuneration and pensions and that margins had been agreed upon for those elements. Since those two elements constituted approximately 90 per cent of the total entitlement package excluding expatriate benefits for the United Nations, general conclusions could be reached about the remaining 10 per cent without resorting to costly and technically flawed measurement devices. Some members holding this view suggested that the current total compensation comparisons based on non-expatriate benefits should continue to be made. These members, however, did not wish to extend the methodology to expatriate benefits, noting that the General Assembly, by not allocating the resources necessary for the extension of comparisons to expatriate benefits, had decided to exclude expatriate benefits in total compensation comparisons. In coming to their conclusions, they focused on the difficulty of making technically accurate net remuneration comparisons without introducing a range of extremely difficult issues related to total compensation comparisons. Furthermore, the experience of the current comparator in its own total compensation comparisons, which were being reviewed after several years of effort, should also be borne in mind. Some of these members noted that the inclusion of expatriate benefits in the comparison would necessitate a review of the role of the margin since at least a part of the rationale for the margin related to expatriate status. They also emphasized the basic conceptual flaw in comparing particular benefits provided to United States national civil servants when they were assigned abroad for temporary periods with general benefits provided to permanent United Nations Professional staff. Some of these members considered that the margin between the comparator and the international civil service had been established essentially to account for the expatriation factor. The post adjustment system ensured that at all duty stations this margin, as well as the inclusion of the expatriation benefits of the comparator, would result in accounting for expatriation twice, in favour of the comparator service. The comparison between permanent international civil servants and comparator expatriate staff posted abroad for short periods of time was not reasonable since it did not account for the full careers of staff with the associated advantages and disadvantages. Such a comparison would be contested. It was further noted that international civil servants benefited from the margin, i.e. the expatriate benefits, during their full careers. In comparison, the comparator's expatriate staff benefited from this element only while serving away from their home countries.

100. One member pointed out that in addition to the basic flaw of including expatriate benefits the analysis provided by the secretariat was illustrative of the variety and volume of difficulties and deficiencies associated with devising an accurate methodology. For example, the figure on the United States side for sick leave was overstated since it represented an average for all employees rather than for Professional staff; the analysis of the 27 duty stations covered less than 1 per cent of United States national civil servants posted abroad and in one third of the duty stations there were no United States national civil servants; and maternity leave was omitted from the analysis on the United Nations side of the equation.

101. In this context some members pointed out that the initial total compensation comparison, including expatriate benefits, covered duty stations with approximately 70 per cent of United Nations common system Professional staff. It was also noted that further improvements relating to the collection of more precise data for

certain benefits such as maternity leave and sick leave were intended to be introduced in future comparisons. In this regard the detailed explanations provided by the secretariat had been found satisfactory.

Conclusions of the Commission

102. The Commission had carried out total compensation comparisons based on non-expatriate benefits since 1981 and reported those results to the General Assembly. In this regard the Commission had recommended comparison methodologies to the Assembly in connection with net remuneration and pensions. The Assembly had followed the Commission's work in this area with interest and had requested the Commission to report annually on the results of these comparisons.

103. Some members were of the view that only a total compensation comparison including expatriate benefits would enable the Assembly to make an overall comparison of the total entitlements of the staff of the United Nations common system and that of the comparator service. They concluded, therefore, that such a total compensation comparison including expatriate benefits was not only feasible and useful but necessary, and could be carried out at a low cost.

104. Noting numerous conceptual and technical complexities and the high level of expenditure needed to produce even marginal results, some members of the Commission concluded that the total compensation methodology was of very limited usefulness and definitely should not include expatriate benefits. They pointed out that the technical problems associated with comparisons of a single element, net remuneration, were substantial, and were growing. Since similar problems were evident with each element added in a total compensation approach, the imprecisions associated with each element multiplied and accumulated to unacceptable levels in a total measurement. These flaws were further exacerbated when expatriate benefits were included, since this approach involved situations in the United States system that had no appropriate basis for comparison in the international civil service. Therefore, it would be unwise and unproductive to pursue a costly methodology that yielded distorted, unreliable technical measurements and inflated expectations.

4. Consolidation of post adjustment into base salary

105. At the Commission's twenty-fifth session, the representative of the United Nations requested that an item on the consolidation of post adjustment into base salary for staff in the Professional and higher categories should be placed on the agenda for the Commission's twenty-sixth session. In a follow-up written communication, the United Nations explained that its request had been prompted by a projected deficit in the United Nations Tax Equalization Fund by the end of 1987, which was expected to reach approximately \$14 million by 1991 if no action were taken by the Commission and subsequently by the General Assembly. The expected shortfall was attributed to the introduction of the new rates of staff assessment for the Professional and higher categories as well as for the General Service and related categories effective 1 April and 1 January 1987 respectively. Almost all of the projected deficit was expected to relate to the United States portion of the Fund, since 99.9 per cent of total tax reimbursements made by the United Nations pertained to taxes levied by the United States on the United Nations emoluments of United States nationals or residents. If no measures were taken to replenish the resources of the Fund, the projected deficit would be charged to the regular budget of the United Nations, thus becoming a charge against all Member States, including

those that did not tax their nationals working for the United Nations. The United Nations therefore requested the consolidation of at least 20 points of post adjustment into net base salary, effective 1 January 1988. Current estimates indicated that such a move would bring a positive balance in the Tax Equalization Fund by 1991.

106. At its twenty-sixth session, along with the consolidation of 20 points of post adjustment proposed by the United Nations, the Commission considered an alternative suggested by its secretariat that would deal with the projected imbalance in the Tax Equalization Fund without resorting to consolidation. This alternative would consist of establishing a special scale of staff assessment for the Professional and higher categories that would be used solely for the determination of gross base salaries. The existing scale of staff assessment effective 1 April 1987 would remain applicable for all other purposes.

Views of the organizations and the staff representatives

107. The Chairman of CCAQ informed the Commission that most organizations were strongly opposed to the proposed consolidation of 20 points of post adjustment into base salary in view of the significant increase in the number of duty stations with a negative post adjustment classification that would result from such action. Approximately half of the total number of duty stations would have a negative post adjustment classification following the proposed consolidation. Although most organizations would prefer to maintain the status quo, they would nevertheless be prepared to examine an alternative along the lines of that suggested by the ICSC secretariat. The United Nations would also be willing to consider such an approach. The organizations were of the view, however, that the consequences of such a solution would require careful study. Of particular concern were the compatibility of the proposal with the staff regulations of the organizations and its potential impact on the definition of separation payments and compensation for service-incurred injury or illness. The question of whether two separate scales were indispensable also required study. The organizations therefore proposed that a small working group consisting of representatives of the administrations, the staff representatives and the ICSC secretariat should undertake such a review in the course of the current session, to enable the Commission to arrive at a decision. The objective of the working group would be to develop a workable alternative to consolidation, using the proposal of the ICSC secretariat as the basis for discussion.

108. The representative of FICSA pointed out that the United Nations was the only organization facing the difficulty of having to replenish a tax equalization fund through income from staff assessment. FICSA expressed regret that the United States continued to refuse to exempt its nationals working in the international organizations from income tax, thus creating additional work and problems as a result of tax reimbursements. At the same time, the United States questioned the cost-effectiveness of United Nations operations and criticized the complexities of the United Nations salary system. FICSA recalled that the current staff assessment rates, which were based on average tax rates at the seven headquarters duty stations, had come into effect on 1 April 1987. A revision of those staff assessment rates to suit the purpose of the Tax Equalization Fund would be totally arbitrary and add to the instability of the salary system. On the other hand, the proposed consolidation of 20 index points would result in a negative post adjustment classification for a large number of additional duty stations. For over 25 per cent of Professional staff in the system, deductions would be made from base

salaries. Unless an appropriate solution were found for staff at duty stations with a negative post adjustment, FICSA could not agree to consolidation. FICSA could also not support the proposed alternative to consolidation, which would consist of establishing a separate scale of staff assessment for purposes of the Tax Equalization Fund. This would increase the number of salary scales in use to five, which was not in the interest of stability and transparency. FICSA would nevertheless be willing to participate in the working group proposed by CCAQ. FICSA reserved its position on the creation of a new scale of staff assessment for purposes of the Tax Equalization Fund.

109. The representative of CCISUA also expressed readiness to participate in the working group proposed by CCAQ. CCISUA wished to point out, however, that had all Member States of the United Nations signed the Convention on Privileges and Immunities, this problem would not be arising today. CCISUA believed that, under the circumstances, the best solution was to follow the example of the comparator and abolish negative post adjustment classifications. He proposed following the example of the comparator itself and abolishing any negative post adjustment in the appropriate cases.

Discussion by the Commission

110. The Commission agreed to the creation of the working group proposed by CCAQ. It was subsequently informed that, after reviewing the principal issues involved, the working group had arrived at a modified version of the alternative to consolidation put forward by the ICSC secretariat. The Commission took note of the view of the United Nations that the adoption of the measure proposed by the working group would have an impact on the resources of the Tax Equalization Fund similar to that of consolidation. The Commission also noted that FICSA had reserved its position on the creation of a new scale of staff assessment for purposes of the Tax Equalization Fund. Due to the short time available FICSA had not been able to study the implications of the proposed scale for other elements of the system, nor to examine whether the establishment of a new scale for this purpose was compatible with the staff rules and regulations of the common system organizations. The Commission further noted that CCISUA had supported the proposal put forth by the working group.

111. The Commission noted that, based on June 1987 post adjustment classifications, consolidation would place duty stations in an additional 48 countries or areas in negative post adjustment classes, raising the total to 81. A total of approximately 5,100 staff members would have post adjustment deductions made from base salary, as opposed to some 1,850 under current post adjustment classifications. The Commission also recalled that consolidation had significant cost implications. The last consolidation, which took place on 1 January 1985, incurred a one-time cost of \$250,000 due to rounding, and a recurring cost of some \$240,000 per year for a period of two to three years due to differences in the treatment of post adjustment additions and deductions from base salary.

112. Turning to the proposal submitted by the working group, the Commission noted that this alternative would consist of developing a revised scale of staff assessment for use in conjunction with gross base salaries as well as the gross amounts of separation payments. This revised scale would be set sufficiently high to replenish the resources of the Tax Equalization Fund. As was the case under the current scale of staff assessment, there would be two sets of rates for this purpose, one for staff paid at the dependency rate and another for staff paid at

the single rate. The existing rates of assessment for staff with a primary dependant would remain in effect for purposes of pensionable remuneration and pensions. The two sets of assessment rates for use in conjunction with gross base salaries and the gross amounts of separation payments as well as the rates of assessment for purposes of pensionable remuneration and pensions would be shown together in a three-column scale of staff assessment.

113. On this basis, and using the existing staff assessment income brackets, a revised scale of staff assessment at the dependency and single rate for use in conjunction with gross base salaries and the gross amounts of separation payments was developed. The proposed scale of staff assessment at the dependency rate was arrived at in such a way as to generate the required revenue for the Tax Equalization Fund without producing gross salary levels in excess of the present levels of pensionable remuneration. It was felt that gross salaries should not be higher than pensionable remuneration for any category of staff. To this end, the current assessment rates for staff with a primary dependant were increased by 25 per cent for the lowest bracket and by a gradually decreasing percentage for the remaining brackets. The result was rounded to the nearest whole number.

114. Proposed gross base salaries were calculated by means of the reverse application to existing net base salaries at the dependency rate of the proposed rates of assessment for use in conjunction with gross base salaries and the gross amounts of separation payments. On this basis, proposed rates of assessment for staff without a primary dependant were devised in such a way as to close the gap, to the extent possible, between the proposed gross base salaries and existing net base salaries at the single rate. Proposed net base salaries at the single rate were then calculated by applying to the proposed gross salaries the revised staff assessment rates at the single rate to be used in conjunction with gross base salaries and the gross amounts of separation payments.

115. A similar procedure was used to arrive at proposed gross and net amounts of separation payments, as follows:

(a) Proposed gross amounts of separation payments were calculated by means of the reverse application to the existing net amounts of separation payments at the dependency rate of the revised scale of staff assessment at the dependency rate for use in conjunction with gross base salaries and the gross amounts of separation payments;

(b) Proposed net amounts of separation payments at the single rate were calculated by applying to the above proposed gross amounts of separation payments the proposed scale of staff assessment at the single rate for use in conjunction with gross base salaries and the gross amounts of separation payments.

116. The Commission noted that the alternative developed by the working group would have no impact on post adjustment classifications and would, therefore, not place any additional duty stations in a negative class of post adjustment. The proposed measure would have no impact on other elements of the remuneration system, except for minor losses and gains in net base salary and net amounts of separation payments for staff paid at the single rate. These minor losses and gains would result from the change that would be required in the scale of staff assessment at the single rate. The amounts involved would be \$10 or under per annum per staff member in most cases and \$20 per annum at most. These losses and gains tended to balance each other out and the financial implications of the proposed measure were

therefore expected to be negligible. The adoption of the proposal put forward by the working group would require the revision of the staff regulations and/or rules of the organizations of the common system, but such revisions were of a routine nature.

117. Some members of the Commission expressed concern lest the increase in gross base salaries and gross amounts of separation payments that would result from the adoption of the working group's proposal be misunderstood in certain circles as a real increase in take-home pay for United Nations staff members. They felt that this would be particularly undesirable in the present climate. They also voiced their concern over the possible impact of the change on other elements of remuneration, including pressures that might develop for the use of the new rates of staff assessment for purposes other than determining gross base salaries and the gross amounts of separation payments. They also expressed the view that the existence of several different gross salary scales for different purposes would be unfortunate in that it would unduly complicate the system.

118. It was noted, however, that consolidation would also lead to an increase in gross salary and that there were already several gross salary scales in effect, a gross base salary scale, a scale of pensionable remuneration and a scale of gross amounts of separation payments. It was noted furthermore that, in view of the critical situation of the Tax Equalization Fund, urgent action was required.

Recommendations of the Commission

119. In the light of the above considerations, the Commission concluded that the proposal put forward by the working group would be the least disruptive under the present circumstances. It therefore decided to recommend to the General Assembly that it should (a) maintain the current scale of staff assessment for staff members with a dependent spouse or a dependent child for purposes of pensionable remuneration and pensions; and (b) approve revised rates of staff assessment to be used in conjunction with gross base salaries and the gross amounts of separation payments, with one set of rates applying to staff members with a dependent spouse or a dependent child and another set of rates for staff members with neither a dependent spouse nor a dependent child.

120. The proposed rates of staff assessment at the dependency and single rates for use in conjunction with gross base salaries and the gross amounts of separation payments, along with the rates for purposes of pensionable remuneration and pensions effective 1 April 1987, are shown in annex VI. The proposed base salary scale and scale of separation payments showing gross and net amounts at the dependency and single rates are shown in annexes VII and VIII. To give the organizations sufficient time to make the necessary changes in their staff rules and/or regulations, the Commission recommended that the proposed changes in the scale of staff assessment, as well as the consequent changes in the base salary scale and in the scale of amounts of separation payments, should be introduced with effect from 1 April 1988.

121. In making this recommendation the Commission emphasized that the sole objective of the proposed change was to increase the revenues of the Tax Equalization Fund. The proposed measure would involve no change in current net base salaries at the dependency rates nor in the current net amounts of separation payments at the dependency rates and only minor changes in current net base salaries and net amounts of separation payments at the single rate. The cost

implications were expected to be negligible. In view of the concerns expressed by several members of the Commission, it further recommended that the application of the proposed measure should be closely monitored to ensure that it had no unexpected consequences.

122. The Commission recalled that in its seventh annual report it had "suggested that the Assembly might wish to renew its request to Member States that [had] not done so to take appropriate action to exempt their nationals from income taxation, which could lead to the abolition of the Tax Equalization Fund". 21/ The General Assembly had made a request to this effect in paragraph 5 of its resolution 39/27. Thus far, however, there had continued to be a need for the Tax Equalization Fund. Under the circumstances and in view of the current difficulties faced by the Tax Equalization Fund, the Commission had decided to make the present recommendation on which it had reservations, but which it considered less disruptive than consolidation. Therefore, in the light of its views in the matter and of the statements made by the organizations and the staff representatives, the Commission strongly appealed to the General Assembly to take the necessary action to avoid a recurrence in the future of the present difficulties of the Tax Equalization Fund.

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

123. At its twenty-fourth session, the Commission had identified a number of issues related to the current grade equivalency study for which it had requested further information. That information was provided at the twenty-fifth session for the Commission's review on the following issues:

- (a) Senior Executive Service (SES) pay comparisons;
- (b) Assistant Secretary-General (ASG) and Under-Secretary-General (USG) grade equivalencies;
- (c) Grade equivalencies of translator positions;
- (d) Results of further consultations for checking the validity of the comparison;
- (e) The effect of different lengths of career in the two services on average salaries proposed to be used in comparisons;
- (f) The use of weighting techniques in the comparison process.

Views of the organizations and the staff representatives

124. The Chairman of CCAQ, while noting the inherent difficulty of including in the comparison jobs based on a "rank-in-person" approach, saw no technical justification for using an average of SES grades in the remuneration comparison process. The Commission should use the salary levels of actual SES positions, which, under normal circumstances, would yield a valid comparison. With regard to ASG/USG positions, further investigations by the ICSC secretariat had confirmed that ASG and USG positions in the common system were not really comparable to apparently similar positions in the comparator's administration. A variety of

factors had led to that conclusion: differences in organizational structure and scope of tasks; the limited size of the sample; the difficulties presented by comparing jobs based on a rank-in-person approach; and the influence of political factors at those levels. Those factors demonstrated conclusively that ASG and USG positions must continue to be determined by extrapolation. Translator positions, CCAQ noted, should be excluded from the grade equivalency study, since further attempts to find a sufficient number of comparable United States positions had proved unsuccessful. CCAQ also noted that, following further testing of the Master Standard by classifiers of the United States Office of Personnel Management, a rate of confirmation of 75.8 per cent had been reached. CCAQ, recalling that a confirmation rate of 75 per cent would be acceptable to the Commission, considered this to be satisfactory. On the issue of the effect of career length on average remuneration, CCAQ was of the view that, provided the information supplied on average remuneration was not biased by career length, there was no need to consider career length in more detail for the purpose of comparing net remuneration. Lastly, on the question of weighting techniques, CCAQ reconfirmed its preference for the square root weighting formula.

125. The representative of FICSA expressed appreciation for the completion of studies on outstanding issues, which had permitted the Commission to reflect the results of the equivalency study in the margin calculations. With regard to questions that were still open, FICSA favoured the use of actual SES positions for salary comparisons, noting that one of the major problems in this comparison had resulted from the artificial compression of the scale on the United States side. FICSA considered that the inclusion of ASG and USG equivalencies was not a priority. The findings of the ICSC secretariat confirmed the position of FICSA that translator positions could not be included in the comparison because of the very real differences in job content in the two services. The representative of FICSA expressed the view that differences in career length would be more appropriately taken into account in the total compensation study, where they had been reflected originally. FICSA reiterated its disappointment that the Commission had decided to eliminate that aspect in the total compensation comparison. Differences in career lengths could not be dealt with by reviewing the organizations' policies that determined career progression. Lastly, to be consistent with the 1978 comparison, the square root formula should be used in the weighting scheme.

Discussion by the Commission

126. Commission members appreciated the fact that, as the SES represented a rank-in-person classification system, this created difficulties in comparing relevant remuneration levels of United Nations/United States officials in equivalent positions. They also agreed that the use of average salaries for the entire range of SES pay levels should be used for comparison purposes, since it would have the desirable effect of reducing fluctuations in grading patterns from one grade equivalency study to the next one.

127. The Commission realized that there were significant difficulties in coming to any conclusions about the equivalency of positions at the ASG/USG levels. Nevertheless, it decided to keep the matter under study.

128. Recognizing the differences in job content of equivalent translator posts and the lack of a meaningful number of United States federal civil service translator

positions, all but one member considered that translators should not be included in the comparison process.

129. With regard to the results of consultations between the ICSC secretariat and officials of the United States Office of Personnel Management on the validity check of the grading exercise, the Commission was pleased that a more satisfactory rate of agreement between the classifiers in both services had been achieved as a result of the further consultations.

130. The Commission noted the secretariat's effort to obtain relevant length-of-service data for comparator jobs included in the study for purposes of assessing the effect of length of service on average salary calculations. It further noted that the comparator's personnel data systems did not contain such information.

131. In addressing the issue of weighting techniques to be used in calculating average salaries, it noted its decision in the 1978 grade equivalency study to use the square root weighting technique to reduce the dominance of jobs with significant numbers of incumbents.

Conclusions of the Commission

132. The Commission decided:

- (a) To use average SES salaries in remuneration comparisons;
- (b) To keep under study the equivalency of ASG/USG levels;
- (c) To exclude translator positions from remuneration comparisons;
- (d) To note the more satisfactory rate of agreement of the validity check;
- (e) To conclude the review of the effect of career lengths on average salaries, noting the lack of data on which to base an appropriate evaluation;
- (f) To use the square root weighting technique in the calculation of the United States federal civil service salaries representing the United Nations common system grade averages.

6. Supplementary payments

133. At its twenty-sixth session, the Commission reviewed a document and a note prepared by its secretariat as well as a note presented by FICSA on the issue of supplementary payments. This issue was raised by FICSA at the twenty-fifth session, and the Commission had requested its secretariat to collect for its consideration further information on the nature of and specific reasons for such payments.

Views of the organizations and the staff representatives

134. The Chairman of CCAQ stated that the questions of supplementary payments and mandatory deductions from salaries had already been examined by the Commission on previous occasions. He said that the executive heads continued to be concerned by

these practices, which undermined the independence of the international civil service. The founders of the United Nations system certainly never thought that such deviations would occur or intended them to do so. He observed that the primary responsibility for their removal remained with the Member States concerned, but CCAQ welcomed all initiatives to this end. CCAQ would follow with great interest the progress of the responses to the Commission's correspondence.

135. The President of FICSA recalled that FICSA had requested ICSC to deal with supplementary payments since an increasing number of underrepresented Member States had found it necessary to make such payments to attract their nationals to serve in the international organizations. The same Member States declared that the level of entitlements in the common system was too high. The practice had been growing in view of the less attractive conditions of employment in the United Nations system. The need for supplementary payments proved that the Noblemaire principle was no longer respected. In its note FICSA had provided information on three Member States that had official texts on these payments. In addition, FICSA had heard that other Member States, such as Canada, France and some Nordic countries, made certain payments, mainly to staff in New York. FICSA was extremely concerned about those practices, which undermined the independence and integrity of the international civil service. The solution was not only to condemn Member States that made supplementary payments but also to bring the remuneration package at all duty stations to such a level that it would attract nationals of all countries. FICSA was equally concerned about the practice of some Member States of imposing deductions on the salaries of their nationals working in United Nations system organizations. Unfortunately, it had not been possible for FICSA to obtain official texts on the subject.

136. The representative of CCISUA was extremely concerned that, in open violation of United Nations Staff Regulation 1.6, certain Member States awarded supplementary payments to their nationals employed in the common system. This practice compromised the independence of the international civil service and created distortions and inequities in the conditions of work. While proving that remuneration was inadequate, it was all the more difficult to countenance, as some of the Member States concerned were the very ones who had advocated a reduction of staff entitlements.

137. Regarding the correspondence between the ICSC Chairman and executive heads of the organizations, the representative of ICAO stated it would be impossible to obtain meaningful information from staff members. Although ICAO had made some extra efforts by approaching senior staff members, no additional information had been provided, and the ICAO representative wondered what use could be made of such information. He agreed with FICSA that the solution would not be to condemn the Governments involved but rather to point out the inconsistency in their position when they opposed improvements in conditions of service and even pushed for reductions in staff entitlements. In ICAO's view, the fact that three major contributors found it necessary to make supplementary payments (provided they still did) was sufficient indication to make a case for an increase in salaries.

138. With regard to the information requested by the ICSC Chairman on staff provided on loan by Governments, WHO mentioned that it had only supplied data referring to reimbursable loan agreements as requested, but that it also had a comparable number of staff on the basis of non-reimbursable loans.

Discussion by the Commission

139. The Chairman explained that in 1981 when the Commission had considered this issue, he had written only to the three Member States that had legal arrangements for supplementary or equalization payments to their nationals during or after employment in the United Nations system. This time he had requested information from 155 Member States whose nationals served in the common system organizations, as well as from heads of organizations.

140. The Commission was informed that 28 Member States had replied at the time this item was being discussed. One country had responded that it currently had no nationals on the staff of the organizations; 31 Member States had replied that they did not make supplementary payments and three had referred the matter to their capitals. The United States of America had indicated that it continued its policy of not making supplementary payments during the employment of United States civil servants by common system organizations but that it continued to make equalization payments on the return of staff to government service after they had left the common system organizations, as was previously reported to the Commission in 1981. It did not address the question of American nationals seconded on reimbursable or non-reimbursable loan. Canada had indicated that, while as a general policy it did not provide supplementary payments to its nationals serving in United Nations organizations, it was providing financial and administrative assistance for housing and related services to two senior officials on similar terms as was provided to senior foreign service officials. The Federal Republic of Germany had replied that the Government examined the arrangements for supplementary payments each year anew in the light of changing pay structures in the Federal Republic of Germany and in international organizations as well as currency fluctuations and the divergent development of living costs. It was furthermore of the opinion that these administrative measures were consistent with the wording, spirit, interpretation and practice of the Charter and staff regulations and were not related to the discharge of the responsibility of the United Nations staff members from the Federal Republic of Germany. Most countries had indicated that they did not make deductions from the pay of their nationals while employed by organizations of the United Nations system. Some Member States had not addressed this question, and most permanent representatives had not replied to the question of reimbursable and non-reimbursable loans. Copies of the Chairman's letters to executive heads and permanent representatives are reproduced in annexes IX to XI to this report, together with a list in annex XII of Member States who had replied as well as those that had not.

141. The Commission was also informed that 12 of the organizations had responded at the time of the discussion of this item (see annex XIII for further details). It was noted that the United Nations would reply soon to a number of specific questions that were raised at a meeting with the Executive Secretary in May 1987. The Commission noted the informal consultations held by the secretariat with a number of permanent missions to the United Nations in New York and the fact that a few other Member States (apart from the Federal Republic of Germany, Japan and the United States of America, which had legal arrangements), provided assistance, in the form of accommodation, to some of their nationals, especially those at senior levels, on an individual basis. The secretariat had also been informed of other Governments that were providing supplementary payments to officials seconded from their Governments and had sought more specific information from France, Italy and other Governments in this connection.

142. The Commission noted with concern the growing number of countries providing assistance to some of their nationals on an individual basis and the significant numbers of staff on reimbursable and non-reimbursable bases in some of the organizations. It noted also that only two replies on these matters had so far been received from the Member States involved.

143. One member of the Commission explained that the United States Government had introduced the system of equalization payments in 1958 as an incentive for federal civil servants to take up temporary assignments in international organizations. Such allowances were paid in very limited instances, and no payments were made to staff while employed by international organizations. To be eligible for an equalization allowance an individual had to be a United States national civil servant who had accepted employment with the United Nations for a temporary period and then had returned to the United States national civil service. About 300 staff members were on secondment in this way, of which only a minority qualified for these payments on return. It was also noted that hundreds of international civil servants from the United States were not eligible for these payments since they neither came from nor returned to employment with the United States national civil service.

144. The Chairman of CCAQ stated in reply to the Commission's concerns that to deliver their programmes executive heads sometimes had to revert to solutions such as reimbursable and non-reimbursable loans in order to be able to attract the required calibre of specialists. The representative of UNIDO indicated that his organization also had difficulty in attracting high-calibre staff with industrial experience from the United States, Japan, France and certain other countries. In the field the situation was similar and his organization resorted to reimbursable loan and non-reimbursable loan agreements to hire experts; it would not otherwise be possible to meet the expectations of developing countries. He indicated that a formal response to the Chairman's letter would be forthcoming.

145. The representatives of FICSA observed in response to comments made by members of the Commission that FICSA also attached a great deal of importance to the independence of the international civil service. In searching for solutions, FICSA considered that an increase of remuneration would solve the problem.

Decisions of the Commission

146. The Commission took note of the various clarifications provided. It considered that, since most of the Member States and the organizations had not yet supplied the requested information, every effort should be made to obtain this. The Commission decided therefore to pursue the matter with a view to studying it at its twenty-seventh session and reporting further to the General Assembly in 1988. It wished, however, to inform the Assembly already at this stage of its concerns in two areas: (a) the growing practice of countries to provide assistance to their nationals on an individual basis while employed in the United Nations system, which was in conflict with staff regulation 1.6 of the United Nations and corresponding staff rules, stating that no staff member shall accept any honour, decoration, favour, gift or remuneration from any Government; and (b) the use of reimbursable and non-reimbursable loan agreements whereby staff were made available to organizations on national (expatriate) conditions of service and the cost of which was either reimbursed or not to Member States. It also wished to recall to the Assembly the recommendations it had made in its sixth, seventh and eighth annual reports, in which it requested the General Assembly to take appropriate measures to

remedy the situation and in which it recommended calling to the attention of Member States that the practice of supplementary payments was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of the Staff Regulations. These recommendations applied to all types of supplementary payments, present and future. The Commission recalled in particular resolution 37/126, section II, paragraph 2, in which the attention of Member States was drawn to the fact that the practice of supplementary payments or deductions was inconsistent with the provisions of the Staff Regulations of the United Nations and, therefore, inappropriate.

7. Education grant

147. Consideration of this item had initially been scheduled for the Commission's twenty-fourth session, but had been deferred first to its twenty-fifth session and subsequently to the twenty-sixth session. The Commission based its review on two documents submitted by CCAQ, one prepared for the twenty-fourth session and concerning the scope, purpose and level of the grant, and the other providing an updated basis for a review of the level of the grant based on data on education expenditure for the 1985/86 school year. On this basis, CCAQ recommended an increase in allowable costs from the present level of \$6,000 to \$8,000, thereby raising the maximum grant from the present \$4,500 to \$6,000. The organizations also recommended that the maximum allowable costs for disabled children should similarly be increased to \$8,000, the existing rule of 100 per cent reimbursement remaining unchanged; that staff serving at locations where educational facilities were not available or were deemed inadequate should be entitled to claim reimbursement of boarding costs of up to \$1,500 per year as an amount additional to the maximum grant of \$6,000; and that the existing currency floor provisions should be maintained. CCAQ further recommended that the above measures should be applicable as from the school year in progress on 1 January 1988.

Views of the organizations and the staff representatives

148. In his introduction of the document, the Chairman of CCAQ drew the Commission's attention to the substantial increase since the last review of the level of the grant, in 1983, in staff members' expenditure and in tuition fees at schools commonly attended by children of United Nations system staff members; over 17 per cent of staff had been exceeding the maximum allowable reimbursable amount of \$6,000 per year in 1985-1986. In terms of tuition fees alone, i.e. disregarding other allowable costs, increases in local currency terms ranged from 17 per cent at Geneva to 85 per cent at Rome and 87 per cent in Paris. Because of present exchange rates, the increase in education costs at all headquarters locations other than New York and Montreal would be much higher if expressed in United States dollars rather than in local currency. There was therefore ample justification for an increase in the level of the grant. Under current provisions, staff who were obliged to educate their children away from the duty station due to the unavailability or inadequacy of educational facilities sometimes received proportionately less, in the way of reimbursement of their educational expenditure, than those with children who attended educational institutions at or near the duty station. This was because the amount allowed for boarding was included in the overall limit. CCAQ considered that this anomaly needed to be redressed for staff members serving at duty stations with inadequate educational facilities. The objective of the recommendation of the organizations regarding the currency floor

provisions was to ensure that staff members at all duty stations were treated equitably.

149. The General Secretary of FICSA expressed support for the main conclusions reached by CCAQ, while at the same time recalling the Federation's long-standing policy that the education grant should be payable to all staff as a social benefit. He noted that, while salaries had remained frozen, there had been a steep rise in education costs. The increase in the grant proposed by CCAQ was in FICSA's view indispensable and, indeed, overdue. With regard to the currency floor provisions, FICSA suggested that the use of the 36-month average exchange rate projected to 1 January 1988 would be a more equitable formula, as it produced increases in the total currency maximum more in line with the increases observed in the various countries. FICSA strongly supported CCAQ's proposal regarding the separate reimbursement of boarding costs in the case of staff serving at locations where educational facilities were not available or inadequate. Such a measure would make it easier for officials with children to accept assignment at a number of isolated field duty stations.

150. The representative of CCISUA underlined the sharp increase in education costs that had taken place since the last review of the level of the grant. The available information provided ample justification for a significant increase in the grant. CCISUA agreed that special consideration should be given to staff at duty stations with inadequate or non-existent educational facilities and supported CCAQ's recommendation in this regard. In addition, CCISUA believed that the grant should be extended to locally recruited staff on the basis of need.

Discussion by the Commission

151. The Commission carefully reviewed the information before it regarding the significant increase that had taken place since the last review in staff members' expenditure on education and in tuition fees at schools commonly attended by staff members' children. The Commission also noted that there had been no increase in the level of the grant since 1983. Based on the statistics provided, the Commission considered that there would be justification for a revision of the level of the grant. In its review of this item, however, the Commission found it necessary to bear in mind decisions and recommendations in other areas and their financial implications.

152. Some members of the Commission were of the view that, in the light of the data presented, this issue should be given priority consideration. They believed that, notwithstanding present constraints, the recommendation for an increase in the level of the grant was in order. Unanimous support was expressed for an improvement in the reimbursement provisions for staff serving at locations where educational facilities were unavailable or deemed inadequate. While favouring a recommendation for the benefit of staff serving at duty stations with poor educational facilities, some members were of the view that a small increase in the level of the grant should be recommended at the same time. This would ensure that staff at all duty stations were provided with some measure of relief. Because of the current financial difficulties facing the United Nations system, however, most members of the Commission preferred to defer a recommendation on the overall level of the grant until 1988, rather than propose a partial increase at this time. Several members of the Commission called for this issue to be given priority consideration at its next review.

Recommendation of the Commission

153. The Commission decided to defer consideration of the overall level of the grant and related provisions to its July 1988 session. However, it decided to recommend to the General Assembly that the existing education grant provisions for staff serving at locations where educational facilities were not available or were deemed to be inadequate should be modified as from the school year in progress on 1 January 1988 to enable them to claim reimbursement of 100 per cent of boarding costs up to \$1,500 per year as an amount additional to the maximum grant of \$4,500.

154. The annual cost of this recommendation was estimated at \$75,000 per annum system-wide.

B. Matters relating to post adjustment

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

155. At its twenty-sixth session, the Commission considered the full report of the twelfth session of its Advisory Committee on Post Adjustment Questions (ACPAQ). The report dealt with various issues on post adjustment. Among the issues considered were cost-of-living methodology, the rental subsidy scheme for both headquarters and field duty stations, the separation of the effects of inflation and currency fluctuations, the elimination of post adjustment at the base, the out-of-area price progression factor and multiple exchange rates.

156. In introducing the report, the Chairman of ACPAQ explained the recommendations of the Committee and reiterated that the post adjustment system did work well in the environment in which it had been established, i.e. with financial stability and fixed exchange rates. The shift towards floating currencies and the instability of the financial markets prevented a permanent and universal solution to a problem that affected all aspects of the remuneration package. He explained that basic salaries, post adjustment and other allowances were closely interrelated and that it was not feasible to deal with the post adjustment in isolation from the other components. In the mean time, ACPAQ suggested a solution that could be implemented indefinitely, although it was not universal.

Views of the organizations and the staff representatives

157. The Chairman of CCAQ referred to the view expressed by ACC that the search for a universally acceptable solution to the problem of the impact of currency fluctuations on post adjustment should be pursued as a matter of urgency. The organizations supported ACPAQ's recommendation for the use in the calculation of the out-of-area index of a basket of currencies, which would better reflect the expenditure patterns of expatriate staff members pending the study of its impact at selected duty stations. He also supported recommendations regarding the determination of rental subsidy thresholds and endorsed proposals regarding the adjustment of the periods of reimbursement at headquarters duty stations to compensate for the effects of the post adjustment freeze, following a review of the administrative implications of the proposed measures. CCAQ welcomed the proposals to improve the responsiveness of the special measures for high inflation and the continuous and steady devaluation of the local currency. The Chairman of CCAQ

noted that the organizations were firmly against the elimination of post adjustment at the base, which would place a large number of duty stations in a situation of negative post adjustment and could only compound the operational and managerial problems currently confronting the executive heads.

158. The President of FICSA expressed the Federation's disappointment over ACPAQ's reluctance to contemplate lasting solutions to the problems of the post adjustment system at the present time. FICSA wished to be closely involved in the proposed working group on the separation of the effects of inflation and currency fluctuation on post adjustment. She noted that ACPAQ had itself indicated that the operation of the post adjustment system was made difficult by the definition of the margin and the freeze. She supported the Committee's recommendations on out-of-area expenditures. Concerning the New York survey, FICSA expressed its reservations about the method used to deal with housing expenditure and for this reason could not commit itself to accepting the results of the place-to-place comparison. FICSA requested that the Commission make the floor and ceiling symmetrical within the current RCF system. FICSA restated its opposition to the elimination of post adjustment in New York.

159. The representative of CCISUA drew the Commission's attention to the question of the RCF and the upcoming round of place-to-place surveys, two issues that he considered highly interrelated. This relationship raised the central question of knowing what exchange rate and, consequently, what level of take-home pay the Commission was prepared to accept and defend. Concerning the former, he noted that, while the RCF recognized the problem posed by the decrease in take-home pay due to the decline in the value of the dollar relative to the local currency at a given survey date, the implementation of the scheme was arbitrary. On the one hand, the lower limit at which the RCF was triggered was based on an appreciation of 20 per cent or more of local currency; on the other, the upper limit was set at the exchange rate prevailing at the time of the last survey. This, he stated, was not a balanced approach. It was imperative to develop a scheme that would remove uncertainty, stabilize the system and enable staff in the Professional and higher categories to undertake normal, long-term planning. He noted that each time a survey was conducted the result was a decrease in take-home pay. Therefore, the staff, having accumulated losses for the past 13 years, were opposed to any new round of surveys until the effects of inflation and currency fluctuations were separated out in the post adjustment system. CCISUA supported the recommendation proposed for the rental subsidy scheme and opposed the elimination of the post adjustment at the base.

1. Review of the cost-of-living survey methodology

Conclusions of the Commission

160. The Commission approved several recommendations that had been made by ACPAQ on methodological changes. The revised methodology incorporating these changes dealing with education costs, domestic service and housing costs, measurement of out-of-area non-consumption expenditures and automobile purchases will be used to carry out future cost-of-living surveys.

2. Review of the rental subsidy scheme for headquarters and non-headquarters locations

Discussion by the Commission

161. The Commission noted that, during the period of a freeze on remuneration levels, a regressive formula on rental subsidy reimbursement levels at headquarters locations had meant loss of take-home pay to newcomers whose rents were substantially higher than the average rent taken into account in the determination of the post adjustment. At field duty stations, extremely high rents had resulted in the inflating of threshold levels.

Conclusions of the Commission

162. The Commission therefore decided that:

(a) For determining rental subsidy thresholds at field duty stations, all extreme rents should be excluded by using only those rents in the interval defined as the average rent plus or minus two standard deviations. For the calculation of average rent in determining rental subsidy thresholds at duty stations in Canada, the United States, as well as at all headquarters and some of the other duty stations in Europe, 22/ the rents of staff members who had been at the duty station for less than five years should be excluded;

(b) In all locations, a maximum margin of 20 per cent should be applied to rent-to-income ratios on a graduated scale in order to arrive at rental subsidy thresholds;

(c) At the duty stations in Canada, the United States, as well as at all headquarters and some of the other duty stations in Europe, 22/ the reimbursement rates should be frozen during the period of a freeze on the post adjustment in New York. As long as the current freeze on the New York post adjustment continues, the rate of reimbursement should be reinstated as at the date of implementation of this recommendation (1 August 1987) at the level applicable either when the freeze was applied (1 December 1984) or when the officials concerned entered in service, whichever comes later. When the freeze ends in New York, the normal operation of the scheme should be resumed at all duty stations affected and the level of reimbursement below the restored level should be applied for 12 months. Normal phasing-out procedures should be applied thereafter. There should be no retroactive payments.

163. The above decisions would become effective as at 1 August 1987.

164. The Commission noted that the financial implications of the above decisions would be \$350,000 for the next 12 months and that there would be no financial implications thereafter.

3. Effects of inflation and currency fluctuations on the post adjustment system

(a) Revision of the methodology for the calculation of the out-of-area price progression factor

Conclusions of the Commission

165. The Commission decided that the out-of-area price progression factor should be calculated on a monthly basis. The progression factor should provisionally be based on a basket of currencies comprising those included in the European Currency Unit (ECU), together with those of Austria, Hong Kong, Japan, the Scandinavian countries, Singapore, Switzerland, the United Kingdom and the United States.

166. The Commission requested its secretariat to carry out a special survey of out-of-area expenditure, both consumption and non-consumption, in order to enable the Commission to adopt appropriate indicators for updating consumption expenditures and non-consumption commitments. In the mean time, the out-of-area progression factor, as revised, should be applied for updating out-of-area consumption and non-consumption expenditures on a trial basis for one year. The Commission decided that the implementation date for the new out-of-area factor would be 1 September 1987.

(b) Procedures to minimize the effects of currency fluctuations on take-home pay

Discussion by the Commission at its twenty-fifth session

167. The Commission recalled its conclusion at its twenty-fourth session that a resolution of this long-standing problem was urgent. It noted that the problem was due to the regressivity in the amounts of post adjustment per index point and to the out-of-area component, which was calculated on the basis of a basket of convertible and non-convertible currencies. Fluctuations in net take-home pay in local currency terms occurred when post adjustment classifications were revised for changes in the exchange rate of the local currency vis-à-vis the United States dollar, resulting in considerable instability in the level of take-home pay in local currency terms. Earlier decisions of the Commission concerning this matter were reported to the General Assembly in the Commission's twelfth annual report. 23/

168. At its twenty-fifth session, the Commission noted that the procedure entailing the application of the RCF had produced desirable results in most instances; however, in a small number of countries, because of the continued and significant devaluation of the United States dollar vis-à-vis local currencies, some problems still remained.

Discussion by the Commission at its twenty-sixth session

169. At its twenty-sixth session, the Commission examined the request from the organizations to apply floor protection measures in countries where the United States dollar had devalued vis-à-vis the local currencies by 10 per cent and to apply the same 10 per cent ceiling for the determination of a ceiling on pay in countries where the dollar had appreciated by more than 10 per cent with respect to the rate of exchange in effect at the time of the last place-to-place survey. The Commission was however of the view that its approval of the revised procedure for the calculation of the out-of-area price progression factor recommended by ACPAQ

and the use of the resulting cut-of-area price progression factor in the calculation of RCF and floor protection amounts would result in further relief for staff at duty stations where the RCF and floor protection measures were currently being applied. It therefore could not agree to the floor protection at 10 per cent devaluation of the United States dollar as proposed by the organizations.

Conclusions of the Commission at its twenty-fifth session

170. At its twenty-fifth session, the Commission decided that, in countries where the RCF was applicable and the United States dollar had devalued in relation to the local currency by 20 per cent or more since the last place-to-place survey, the following procedure should be applied for a period of five months with effect from 1 April 1987:

(a) An exchange rate resulting from a 20 per cent devaluation of the United States dollar vis-à-vis the local currency since the last place-to-place survey should be calculated;

(b) Net take-home pay (net base salary plus post adjustment less pension contribution) in local currency corresponding to the post adjustment classification (including the RCF) at the exchange rate in (a) above should be determined;

(c) If the United States dollar devalued below the rate described in paragraph (a) above, then the post adjustment classification should be determined in such a way as to ensure that the resulting net take-home pay in local currency did not fall below the level as described in (b) above.

171. The Commission also decided that, for the countries falling in the above group, net take-home pay in local currency corresponding to the post adjustment classification at the exchange rate applicable at the time of the last place-to-place survey should be determined. Should the United States dollar revalue during the period of the application of the ad hoc measure and reach a level above the exchange rate applicable at the time of the last place-to-place survey, the net take-home pay should not be allowed to rise above the level determined at the survey exchange rate.

172. The Commission specified that the decisions outlined above should be applied with effect from 1 April 1987 until the end of August 1987 by all participating organizations and at all duty stations affected. It also reiterated that the decisions taken at its twenty-fourth session regarding the RCF should be applied by all organizations of the common system, including those that had not yet done so.

Conclusions of the Commission at its twenty-sixth session

173. At its twenty-sixth session, the Commission decided that:

(a) The out-of-area price progression factor resulting from the application of the procedure approved by the Commission at its twenty-sixth session should be used for the calculation of the RCF for all duty stations where the RCF procedure applies;

(b) The floor protection amounts established in accordance with the procedure approved by the Commission at its twenty-fifth session should be re-calculated

after taking into account the effects of the revised out-of-area price progression factor procedure;

(c) A ceiling on the pay in countries where floor protection procedures are applied should be determined by reference to the rate of exchange resulting from 20 per cent revaluation of the United States dollar vis-à-vis the local currency with respect to the rate of exchange in effect at the time of the last place-to-place survey;

(d) The revised RCF, the floor protection amounts and the ceiling provisions referred to in subparagraphs (a) to (c) above should be used for the determination of post adjustment classifications of duty stations affected as at 1 September 1987.

174. At its twenty-sixth session, the Commission decided that a small working group composed of staff of the ICSC secretariat and the representatives of organizations and staff should be established to study the problems connected with the separation of the effects of inflation and currency fluctuations in the post adjustment system. The Commission noted that several proposed methods/solutions for dealing with the problem had been submitted to ACPAQ and the Commission itself. These and other possible solutions that the working group itself might develop should be evaluated in terms of their technical soundness and practical implications. At the same time the group should also investigate the feasibility of a long-term and a generally applicable solution. The findings of the working group should be submitted to the Commission at its twenty-seventh session to be held in March 1988. On the basis of the report from the working group and additional information, as required, the Commission would revert to this matter at its July 1988 session with a view to arriving at a long-term solution. The decisions of the Commission outlined under paragraph 173 above should remain applicable until the Commission reviews this matter at its July 1988 session.

175. Two members of the Commission were of the view that the mandate of the working group as outlined under paragraph 174 above was too broad and that the composition of the working group was not balanced.

176. The financial implications of the decisions taken by the Commission at its twenty-fifth and twenty-sixth sessions regarding the RCF, the floor protection procedure and the use of the revised out-of-area price progression factor for the determination of RCF and floor protection amounts would amount to \$5.5 million per annum at the exchange rates in effect in July 1987.

4. Study of the possibility of eliminating the post adjustment at the base, New York

Discussion by the Commission

177. In response to the request made by the General Assembly in resolution 40/244, section I, paragraph 4, the Commission considered the issue of the possible elimination of post adjustment in New York. The Commission examined the results of the detailed study carried out by ACPAQ in this regard and noted that the small number of advantages resulting from the elimination of the post adjustment at the base would be far outweighed by a large number of disadvantages. The Commission noted that the request of the Assembly to study the possibility of eliminating post adjustment in New York was made at a time when the Assembly was concerned about the

level of the margin. A range for the margin had since been established and a procedure was in place that enabled the Commission to operate the post adjustment system within that defined margin range. As the Assembly had noted, the procedure used by the Commission for the operation of the post adjustment system within the margin range had produced the desirable results. Consequently, the elimination of the post adjustment at the base, which was prompted by the Assembly's concern as outlined above, would not appear to be warranted at this time.

Recommendation of the Commission

178. The Commission therefore recommended to the General Assembly that, for the time being, the post adjustment should be maintained at the base of the system, New York.

5. Review of the operational aspects of the post adjustment system

Discussion and conclusions of the Commission

179. The Commission approved for implementation effective 1 August 1987 the recommendations of ACPAQ on the special measures for high inflation and for continuous and steady devaluation, which were intended to harmonize the current methodology and streamline the procedures currently applied.

180. The Commission noted that the financial implication of the above decision will be \$250,000 per annum.

CHAPTER IV

REMUNERATION OF THE GENERAL SERVICE AND RELATED CATEGORIES

Survey of best prevailing conditions of service at Vienna

181. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service for the General Service and related categories at Vienna. These are found in a document prepared by its secretariat (ICSC/26/R.8) and a note prepared by the administration of UNIDO for the twenty-sixth session of the Commission (ICSC/26/CRP.9). The resulting salary scales recommended to the executive heads of the Vienna-based organizations are reproduced in annex XIV to the present report. The financial implications of these recommendations amount to approximately \$4 million per annum.

CHAPTER V

CONDITIONS OF SERVICE IN THE FIELD

A. General considerations

182. At its twenty-sixth session, the Commission examined documentation regarding conditions of service in the field of the Professional and higher categories submitted by its secretariat. A brief summary of the action taken by the Commission since its early days with regard to the conditions of service in the field was also provided. The Commission was informed that, in spite of these improvements in the overall remuneration package for field staff introduced by the Commission over the years, the administrations of the organizations with staff in the field were experiencing serious problems in the recruitment and retention of staff, especially in recent months.

183. A summary of the representations received by the secretariat of the Commission both from administrations of organizations and from field representatives and field staff regarding the levels of post adjustment applicable at a large number of field duty stations were brought to the attention of the Commission. It was pointed out that, as the post adjustment was the most significant variable element of the remuneration package, in many instances the overall remuneration package at duty stations with low or negative post adjustment classifications was considered by the administrations and staff to be inadequate. The Commission was also informed that, on the basis of the preliminary findings of the secretariat, the remuneration package applicable to United Nations officials from the Professional and higher categories in the field did not compare favourably with that offered by the comparator civil service, the United States federal civil service, to its employees stationed abroad. In this regard, it was noted that the secretariat had carried out its comparisons on the basis of what would have been paid for jobs similar to those performed in the United Nations system and that the comparisons in no way had taken into account the benefits to the United States foreign service personnel. The Commission was informed that, on the basis of the information provided to the secretariat, it appeared that the remuneration packages of some of the other bilateral aid programmes as well as other international organizations also appeared to be substantially more favourable than that offered by the United Nations system. Specific instances regarding recruitment and retention difficulties at different duty stations were brought to the attention of the Commission by way of examples. Proposals for short- and long-term solutions to the problems currently faced by the organizations were outlined by the secretariat.

Views of the organizations and the staff representatives

184. During the course of the Commission's consideration of this matter, the Associate Administrator of UNDP addressed the Commission. At the outset, he stated that his remarks did not reflect solely the needs and sentiment of one organization. He assured the Commission that, while he was speaking as the representative of UNDP, his remarks were shared by all organizations of the common system that have a stake in the work of the United Nations common system in the developing countries. He added that, while the Commission had done a lot over the years for the improvement of conditions of service in the field, much remained to be done. A very serious state of affairs existed in the field and the organizations were facing a situation of crisis proportions that was threatening to

negate the positive efforts of the Commission and, indeed, to undermine the vital work of all United Nations organizations in the field. As this matter was of serious concern to the executive heads, it had figured prominently in the June 1987 special session of ACC. It was in the light of the difficulties faced by the organizations that ACC and the Secretary-General had placed particular emphasis on the conditions of service in the field.

185. The Associate Administrator of UNDP referred to the important mandate entrusted to the United Nations family of organizations by member Governments. This required that attention should be paid to the problems of food shortages, the outbreak of new diseases, the chronic problems of widespread unemployment and a debt crisis of unprecedented proportions, to name but a few. He added that the United Nations system was facing these challenges on a daily basis with imagination, boldness and effectiveness. The United Nations organizations had been and must remain at the cutting edge of development. The organizations were currently in danger of not being able to recruit and retain talented and motivated men and women who were needed to carry out the mandates of the Member States. In this regard, he informed the Commission of a survey recently carried out by UNDP and provided summaries of the information gathered from this survey. These results had convinced UNDP that the organizations could not realistically hope to run a successful programme if there was no significant reversal in the situation of the remuneration of the staff and experts at the field locations. Specifically, the information collected by UNDP indicated that organizations were facing a serious loss of experienced technical assistance personnel to competing agencies outside the United Nations common system. Chronic delays in project implementation were one of the most serious consequences of the current difficulty, deterioration of quality expertise being another. In some instances, it had become essential for organizations to resort to the use of remuneration arrangements outside the normal United Nations salary structure, thereby ultimately resulting in much higher costs to the organizations. Among the staff in the field there was a general feeling of abandonment in their plight by the international system, and of being cornered into a dead end in which no one listened to their problems or to their advice. All of the above-mentioned problems had resulted in a severe decline in the morale of the staff in the field.

186. Referring to the question of mobility, the Associate Administrator of UNDP stated that, while mobility was not an essential element for some organizations, it was the life-blood of others, such as UNDP. In this regard he noted that the Commission had received specific proposals from the organizations regarding the incorporation of a mobility element into the assignment allowance, and he expressed the hope that this substantial but reasonable improvement would receive the Commission's approval.

187. The Chairman of CCAQ warmly welcomed the positive and constructive approach taken by the ICSC secretariat to some of the more pressing problems faced by staff serving in the field. CCAQ was in favour of efforts to obtain additional information about the conditions of employment offered by other employers engaged in similar development activities as part of the comprehensive study suggested by the secretariat. The organizations, however, would prefer to await the conclusions to be drawn from the total compensation comparisons including expatriate benefits. While the proposal of the ICSC secretariat concerning relief to be provided to duty stations with low and negative post adjustment classifications through the post adjustment system had been welcomed, the organizations had submitted their own alternative proposals for the Commission's consideration. Concerning the

modifications suggested by the secretariat with regard to the rental subsidy scheme, CCAQ endorsed the use of actual rent-to-income ratios as rental subsidy thresholds in locations with a post adjustment index below 122. CCAQ, however, expressed some concern with regard to the elimination of rental deductions at the same locations. Concerning the secretariat's suggestion to raise from 75 to 100 per cent the education grant reimbursement level for the parents of children in designated duty stations where no schooling facilities exist, the organizations could not support this proposal. Concerning the reimbursement of boarding expenses not covered within the basic limit of \$6,000 up to a maximum of \$1,500 relating to education grant at the same duty station, the organizations had made similar proposals to the Commission.

188. The President of FICSA recalled that the principle of purchasing power parity and the system of post adjustments had been established at a time when the economic situation was much more stable than was now the case. She added that the field-oriented organizations and those with large regional offices were having problems recruiting, transferring and retaining staff in the field. FICSA entirely agreed that international officials were not motivated purely by financial considerations, but it had to be recognized that their counterparts in other agencies showed the same humanitarian ideals. Consequently, the common system had to offer competitive salaries if it was to attract the best staff. FICSA supported the proposals of the secretariat regarding relief to be provided to staff members at duty stations with very low or negative post adjustment classifications as well as the recommendations concerning the rental subsidy scheme for the duty stations falling in the above category. The proposals regarding the education grant and the reimbursement of boarding cost expenses were also welcome by FICSA.

189. The representative of CCISUA stressed the urgency of approving the proposed interim post adjustment relief measures and in this regard preferred the simpler scheme of the ICSC secretariat. CCISUA also endorsed the proposal of the organizations and FICSA for increasing the assignment allowance in order to reduce the disincentive to serve in the field. It was noted that staff in many duty stations have been experiencing a demoralizing absolute decline in take-home pay and a relative deterioration of the conditions of service vis-à-vis other international organizations and bilateral aid programmes. CCISUA also endorsed the recommended improvement in the education grant package at duty stations where no schooling facilities were available but was of the view that the implementation of the proposed changes in the rental subsidy scheme should be further examined. The representative of CCISUA supported the comprehensive study regarding the conditions of service in the field as long as this was not going to delay in any way the implementation of the emergency relief measures.

Discussion by the Commission

190. In its consideration of the general aspects of conditions of service at field duty stations, the Commission noted the concern expressed by the Secretary-General on behalf of ACC. The Commission agreed in general with the executive heads that the organizations of the common system have to compete on the open market to find the specialist skills they need in many different fields. From the information placed before the Commission by the Associate Administrator of UNDP, it became clear to the Commission that at least in some instances the current remuneration system results in an overall remuneration package that may not be sufficiently competitive to recruit and retain staff of the required calibre for service in the field. Concerns expressed by the executive heads of the organizations with

headquarters in Switzerland with large technical co-operation and/or humanitarian programmes to the Chairman and the Vice-Chairman of the Commission also bore testimony to the fact that in specific instances some immediate action on the part of the Commission and the General Assembly was essential.

191. On the basis of the information before it, the Commission noted that in a large majority of instances the difficulties faced by the organizations with respect to recruitment, retention and transfer of staff could be traced to the relationship of the overall remuneration package of United Nations officials at the duty stations in question to the corresponding packages applicable at some of the major headquarters locations, e.g. New York and Geneva. The Commission further noted that, at duty stations where the overall remuneration package was significantly lower than that applicable in New York or Geneva, a greater number of problems were faced by the organizations. As the post adjustment continued to be the most significant variable element of the United Nations system of remuneration as it applied to the staff from the Professional and higher categories, it could be concluded that a greater number of difficulties were faced by the organizations and staff where the post adjustment classifications were significantly lower than that applicable at the base of the system. The Commission therefore concluded that it must concentrate its efforts on making specific recommendations to the General Assembly vis-à-vis duty stations where very low or negative post adjustment classifications currently apply.

192. As regards the special measures to be recommended to the General Assembly, the Commission considered various alternatives. A view was expressed that as, in general, housing was the most significant element of the overall expenditure incurred by staff members, the best way to address the situation would therefore be to compensate fully and directly for the housing element. However, it was also noted that, concurrent with such action, unless the housing element were taken out of the post adjustment system, staff at some duty stations would receive a significantly better benefit than those at others. Consequently, unless an in-depth study of the post adjustment system to determine the effects of the exclusion of housing from the post adjustment system was undertaken, some anomalous situations could arise. As it would be some time before the results of such a study were submitted to the Commission for its consideration, the Commission concluded that it could not pursue this alternative at the present time. An alternative view was also expressed that singling out only the housing element as indicative of the general problem for all duty stations was unrealistic since the problems of field stations were of a diverse nature. Other elements, for instance, out of area commitments of staff at some of the low post adjustment duty stations, might be significantly more important than the housing element. Given these basic facts, a solution in the context of the post adjustment system would offer more equitable possibilities to staff in such duty stations. It nevertheless requested its secretariat to consider this possibility at the earliest opportunity and present the results of its findings to the Commission as part of the comprehensive study relating to the conditions of service in the field that the Commission had agreed to undertake (see para. 195 below).

193. The Commission also considered the possibility of recommending a special allowance to be paid to staff members at duty stations where low and negative post adjustments currently apply. In this regard it was suggested that the amount of the allowance would vary in accordance with the difference between the net remuneration applicable at a given duty station in relation to that at the base of the system; the greater the difference between the two, the higher the amount of

the special allowance. The Commission concluded, however, that the creation of yet another allowance that would vary according to the post adjustment classification of a given duty station could result in introducing further complexities into an already complex system and might also result in some administrative difficulties. The Commission was therefore of the view that this alternative also required further study. It accordingly requested its secretariat to study this proposal further.

194. The Commission noted that the results of the above-mentioned studies would not be available for the Commission's consideration for at least one year. Since serious difficulties were currently faced by the organizations and staff at some of the field duty stations, it was essential that some sort of interim action pending the consideration of the results of the proposed studies should be taken. In this regard the Commission would have preferred not to introduce further modifications to the post adjustment system. However, it noted that, in specific instances where genuine difficulties were encountered as a result of very high inflation or continuous and steady devaluation and/or abrupt and substantial devaluations of local currency, as well as in instances where the devaluation of the dollar had resulted in substantial losses in take-home pay, particularly in some of the duty stations in Europe, the Commission had resorted to modifications to the post adjustment system. It therefore agreed that, as an interim measure, and pending the outcome of its proposed further studies, it would make specific recommendations to the General Assembly whereby some relief would be provided to staff at the duty stations falling within the above-mentioned category. The Commission wished, however, to emphasize that its recommendations to the General Assembly concerning the modifications to the post adjustment system as outlined in paragraph 197 below were to be applied as an interim measure and only in the case of a specific group of countries outside Europe and North America. Furthermore, it had to be stressed that the Commission's recommendations, if approved by the Assembly, should not be used as a basis for proposing similar modifications in the case of duty stations in Europe and North America. It must also be borne in mind that at this stage the Commission was not recommending a long-term fundamental change to the post adjustment system and that its recommendations as outlined below, if approved by the Assembly, should not be considered a basis for acquired rights by staff.

195. Having agreed to make some recommendations to the General Assembly with a view to providing interim relief to staff at duty stations having low and negative post adjustment classification, the Commission turned its attention to finding long-term solutions to the problem at hand. In this regard it decided to request its secretariat to undertake a comprehensive study of conditions of service in the field and submit the results of that study to the Commission at its twenty-eighth session. On the basis of the information to be provided by the secretariat, the Commission would make specific recommendations to the General Assembly regarding long-term policy on remuneration issues for staff assigned to field duty stations. The Commission also requested its secretariat to study the specific problems faced by the organizations with respect to recruitment and retention of staff for technical co-operation and humanitarian assistance programmes. As part of this comprehensive study various alternatives for modifications to the current system of salaries, allowances and benefits as it applies to United Nations officials from the Professional and higher categories in the field should also be explored. The Commission further requested its secretariat to submit to the Commission at its twenty-seventh session an interim progress report outlining the scope of the study.

196. One member of the Commission expressed strong objections concerning the decisions on amending negative and extremely low post adjustment classifications and their considerable financial implications. In his view the evidence and calculations presented in connection with this problem did not provide convincing arguments that could support the need for taking any drastic measures prior to a complete study of conditions of service in the field next year. Furthermore, in his opinion the proposed measures did in fact undermine the basic principle of equivalence of purchasing power within the post adjustment system. Such significant measures should only be considered in the context of a complete review of the post adjustment system that should form part of a general review of the whole system of salaries and allowances of the common system.

Recommendations of the Commission

197. The Commission recommended to the General Assembly that effective 1 January 1988:

(a) An index corresponding to the remuneration in New York adjusted downward by 15 per cent should be calculated. For all field duty stations with a post adjustment index lower than the adjusted New York index mentioned above, only 75 per cent of the difference between the adjusted New York index and the actual post adjustment index of the duty station should be applied. The post adjustment classifications of the duty stations falling in the above category should correspond to the modified post adjustment index;

(b) In the application of the above formula, an absolute lowest limit of multiplier minus 5 should be placed on the post adjustment classifications;

(c) In the case of some field duty stations the post adjustment classifications were substantially higher than that applicable at the base of the system, New York, and the exchange rates were known to have remained constant in relation to the United States dollar for the last several years. In these cases it was determined that the high post adjustment classification was primarily the result of the movement of the local consumer price index. In these duty stations only 80 per cent of the difference between the actual post adjustment index of the duty station and the post adjustment index corresponding to the remuneration in New York should be applied to determine a modified post adjustment index. The post adjustment index thus modified should be used for the determination of the post adjustment classification of duty stations falling in this category. These duty stations should be reviewed by the ICSC secretariat on a case-by-case basis and specific recommendations relating to those where post adjustment classifications were proposed to be reduced should be submitted to the ICSC Chairman for his approval.

Conclusions of the Commission

198. At the present time, within the framework of the rental subsidy scheme, there were two disincentives that worked against the acquisition of expensive housing only because rental subsidies were available. In the first instance the average rent-to-income ratios at all duty stations were increased by a regressive margin formula to arrive at the rental subsidy thresholds. A further disincentive was introduced by reimbursing only 80 per cent of the difference between the actual rent and the threshold rent calculated using the rental subsidy thresholds. With a view to providing relief to staff members at duty stations where low post

adjustment classifications applied, and where staff members paid substantially higher rates than the average rent taken into account in the post adjustment, the Commission decided that, in the case of duty stations where the post adjustment classification corresponded to remuneration equal to the remuneration in New York less the 15 per cent margin, the actual rent-to-income ratios without any adjustment should be used effective 1 August 1987 as rental thresholds for the determination of rental subsidies. This action on the part of the Commission would remove one of the disincentives mentioned above and consequently result in higher subsidies to those paying rents that were substantially higher than the average rent taken into account in the post adjustment system. This action on the part of the Commission would not result in any financial implications.

199. The Commission noted that its recommendations regarding modification to the post adjustment system as outlined in paragraph 197 above would result in financial implications amounting to some \$3.86 million per annum.

B. Assignment allowance

200. In response to a request of FICSA, the Commission considered the matter of the assignment allowance for the staff from the Professional and higher categories. In order to enable the Commission to undertake an in-depth examination of this matter, documents were submitted by both CCAQ and FICSA for the Commission's consideration.

Views of the organizations and the staff representatives

201. The Chairman of CCAQ presented the organizations' proposals regarding a modification of the assignment allowance to incorporate an element to compensate for mobility. At the outset it was recalled that the original purpose of the assignment allowance, which was to enable staff to obtain furniture or furnished accommodation in lieu of household removal, was expanded in 1974 to include an element for service in the field. The organizations described in their document how the mobility requirements of the system have developed in recent decades, without, however, such requirements being reflected in the remuneration package of the United Nations common system. The organizations recognized the need to compensate specifically for the disruptions and material losses resulting from frequent and regular reassignments. They were of the view that the time had come to recognize mobility as a necessary feature of service with some common system organizations and to compensate for this factor accordingly.

202. The organizations did not propose an adjustment in the amount of the existing assignment allowance, although they were convinced that a case could be made for an increase in the present levels of assignment allowance, which had remained unchanged since 1983. This was because the organizations attached higher priority to the incorporation of the mobility element. CCAQ, however, proposed a structural change in the assignment allowance whereby the existing three-tier structure (P-1/P-2, P-3/P-4, P-5 and above) would be replaced by the same two-tier structure (P-1/P-4, P-5 and above) as is applied at duty stations outside Europe and North America. A major change proposed by CCAQ pertained to the introduction of a mobility element that would be added to the basic level of the allowance. The conditions linked to the payment of the mobility element were explained in detail by the Chairman of CCAQ. At field duty stations the organizations proposed an amount relating to mobility elements for staff with dependants at \$4,200, while for those without primary dependants the amount proposed was \$2,100. At duty stations

in Europe and North America the mobility amounts proposed were \$2,100 and \$1,050 at the dependency and single levels respectively. The organizations further proposed that the amounts of the assignment allowance, including the mobility element, should be reviewed by the Commission every three years.

203. The Chairman of CCAQ estimated that the cost of the mobility element and the change in the structure of the basic level of the allowance would amount to some \$7.82 million per year for the United Nations system. However, mindful of the financial implications of their proposal and in order to limit the impact on the organizations in 1988, CCAQ proposed transitional measures to phasing the enhanced level of the assignment allowance in 1988 and subsequent years.

204. The representative of FICSA recalled that the last review of the assignment allowance dated back to 1983 and that even the increase at that time had not restored the purchasing power of the allowance to its original level. The present amounts of the allowance were no longer sufficient to meet their twofold purpose, i.e. to compensate for the additional cost arising from non-removal of household effects and to constitute an incentive for service in the field. The United Nations salary system had been conceived in conditions of a largely expatriate but non-mobile service. The expansion of technical co-operation activities had resulted in a growing number of highly mobile staff. At present no adequate compensation, let alone incentive, existed for mobility, in particular for staff who moved to duty stations that were less favourable as regards the conditions of life and work than those of previous assignments.

205. FICSA's proposals on the assignment allowance were threefold. Firstly, the existing differentiation by grade should be abolished since it was unnecessary and did not meet the purpose of the allowance. Secondly, in view of the need to improve entitlements for service in the field, the allowance should be increased in duty stations outside Europe and North America to twice the amount payable there. Thirdly, to create a true incentive to mobility the assignment allowance containing the mobility element should be increased by 100 per cent. The modalities of the FICSA proposals differed somewhat from those submitted by CCAQ, while aiming at the same purpose. FICSA was of the view that the phasing-in approach proposed by CCAQ, which made a distinction between staff reassigned before and after 1 January 1988, was not equitable and would most certainly create problems of administration.

206. The representative of CCISUA endorsed the proposals made by FICSA with respect to the basic level of the assignment allowance as well as the enhanced levels including the mobility element.

Discussion by the Commission

207. The Commission noted that, while both the CCAQ and FICSA proposals had one common element, i.e. that of the recognition of mobility, in a matter of detail their proposals differed considerably. CCAQ, on the one hand, while recognizing the need for an increase in the basic levels of the assignment allowance, had not proposed such an increase and had agreed to put more emphasis on mobility. FICSA's proposal, on the other hand, not only called for the recognition of the mobility element but also requested increases in the basic levels of the allowance. The Commission also noted that the FICSA proposal would result in significantly higher financial implications in comparison to that made by the organizations.

208. Following an examination of the information before it concerning the assignment allowance as well as the additional information provided by the organizations for the Commission's mobility study (see paras. 310 to 323 below) and the study relating to general considerations of the conditions of service in the field (see paras. 182 to 199 above), the Commission was of the view that the highest priority should be assigned to providing adequate levels of incentives so as to enhance the mobility of staff to duty stations in the field. As the information provided by the organizations as well as by the Commission's own secretariat had laid greater emphasis on the problems currently faced by the organizations with respect to the recruitment and retention and the assignment of staff to posts in the field, the Commission was of the view that a substantial incentive should be provided through a higher level of assignment allowance to include a mobility element for staff in the field on reassignment. However, it could not find any justification, at least at the present time, for the payment of the increased level of the assignment allowance including the mobility element for reassignment to headquarters duty stations in Europe and North America. In fact, the Commission was of the view that there should be a significant difference between the levels of assignment allowance for staff members at duty stations in Europe and North America and those at other field duty stations. It nevertheless agreed to the addition of a mobility incentive to the assignment allowance for Professional staff serving in technical co-operation and humanitarian programmes in duty stations outside headquarters in Europe at the discretion of executive heads. The Commission recognized that, while some organizations adhering to a routine policy of rotation among their staff members could, in some instances, face difficulties in assigning their staff to headquarters locations from the field, such problems were of a considerably less serious nature than those experienced by the organizations when staff were to be recruited or reassigned to field posts. It also recognized that the reassignment, retention and recruitment of field staff would be better served through the granting of the mobility incentive to staff on their second assignment to the field.

209. The Commission noted that the Field Service category was by nature a mobile service and that staff were compensated through comparison with the United States Foreign Service. The possible consideration of the award of the mobility incentive or other allowances for the Field Service category would be more appropriately reviewed after the Commission had completed its review of the remuneration of the Field Service category.

Conclusions of the Commission

210. The Commission decided that:

(a) For staff members at P-1 and P-2 levels assigned to duty stations in Europe, the United States and Canada, the basic amounts of assignment allowance would be raised to \$1,425 and \$1,800 for staff without dependants and with dependants respectively. Consequently, the same amounts of assignment allowance would become applicable to all staff members in grades P-1 to P-4 assigned to duty stations in Europe, the United States and Canada;

(b) At duty stations outside Europe, the United States and Canada, the levels of assignment allowance amounts would be increased to the following levels for staff members meeting the requirements outlined under paragraph (c) below:

	<u>P-1 to P-4</u>	<u>P-5 and above</u>
	\$	\$
Dependency rate	7 200	7 800
Single rate	4 500	4 950

(c) The eligibility criteria with respect to the assignment allowance for staff members assigned to duty stations in Europe, the United States and Canada would continue to remain the same as had been defined by the Commission earlier. With respect to staff assigned to field duty stations, the entitlement to an assignment allowance enhanced by a mobility element would be based on the following principles:

- (i) Staff members in the Professional and higher categories eligible for the assignment allowance who were serving at their initial duty station or who had been assigned to a second or subsequent duty station but who had less than five years of uninterrupted service with the system would receive the basic level of assignment allowance;
- (ii) Staff members in the Professional and higher categories eligible for the assignment allowance who were serving at their second or subsequent duty station and who had five or more years of uninterrupted service with the United Nations common system would receive a level of the assignment allowance that incorporates a mobility element for a fixed period of up to four years for each assignment. The period of entitlement could be extended for another year if the organization decided that the staff member concerned must, due to the exigencies of the service, remain for another year at the duty station. If a staff member at a particular field duty station ceased to qualify for the mobility level, he/she would revert to the basic level of assignment allowance for the remaining period of eligibility at that duty station up to a maximum of two years;

(d) In exceptional circumstances, the above system of two levels of assignment allowance could be extended to staff serving in technical co-operation and humanitarian programmes in field duty stations in Europe, provided sufficient documentary evidence establishing the need for such extension were provided to executive heads;

(e) The implementation date for the changes outlined above with respect to the system of assignment allowance would be 1 January 1988. The transitional measures outlined below would be used for the purposes of phasing in the enhanced level of the assignment allowance including the mobility element:

- (i) From 1 January 1988, all staff with five or more years of uninterrupted service in the United Nations common system who were working at their third or subsequent duty station would be eligible for the assignment allowance at the mobility level with immediate effect, provided they had less than four years of service at their present duty station;
- (ii) All other staff members who moved to their second or third duty station after 1 January 1988 would be eligible for the assignment allowance at the mobility level from the date of their change in duty station if they had at that time five years of uninterrupted service in the common system, or from the date of completion of five years of uninterrupted service, if later.

211. The Commission noted that the financial implications of the revised system of assignment allowance implemented in accordance with the phasing-in procedures outlined in paragraph 210 (e) above would amount to \$1.24, 1.93, 3.24, 4.54 and 5.22 million per annum respectively for the years 1988, 1989, 1990, 1991 and 1992 and subsequent years.

C. Report of the working group of the Consultative Committee on Administrative Questions, staff representatives and the Commission's secretariat

212. At the twenty-fourth session, proposals were presented to the Commission concerning the system of classifying field duty stations according to conditions of life and work. The Commission requested the tripartite working group on the classification of duty stations according to conditions of life and work, composed of representatives of CCAQ, the staff and the ICSC secretariat, to review the proposals and to make recommendations thereon at its twenty-fifth session.

213. The working group met in October/November 1986 and again in February 1987. The proposals of the working group included, inter alia, changes in the level of the financial incentive, education grant travel, refinements in the questionnaire, changes in the thresholds that determine entitlements, the provision of entitlements to staff encountering temporary housing shortages and the elimination of the requirement that duty stations must be reviewed every three years. In addition to the proposals to the Commission, the working group also recommended that CCAQ should consider eliminating restrictions concerning eligibility for additional freight entitlements and that the conditions for time off for medical check-ups should be liberalized. The working group also recommended several administrative changes to the management of the scheme.

Views of the organizations and the staff representatives

214. The Chairman of CCAQ said that, although staff serving at difficult duty stations appreciated the efforts that had been made to improve their conditions of work and life, the incentives provided for service at those locations remained at a modest level. CCAQ supported the tripartite working group's proposal for an increase in the financial incentive. While the proposed amounts appeared significant, the increases, which ranged from \$75 to \$200 per month, were not overly generous. Moreover, for the first time a methodology was being proposed that would establish a set of rules for future increases. Concerning the proposals to remove restrictions on additional educational grant travel, CCAQ was sympathetic to the view that one entitlement should not cancel out another. It proposed, however, a more limited form of the working group's proposal, i.e. that staff serving in 12-month duty stations that also qualified for additional education grant travel be granted the entitlement every second year. CCAQ endorsed the proposed revisions to the questionnaire and the proposals for changes in the thresholds for certain entitlements. It also supported the proposal for a system that would respond to temporary housing shortages for newcomers without generating a hardship entitlement for all staff at the duty station. The proposal would tighten a loophole in the scheme. After review, CCAQ had approved the recommendation by the working group to eliminate the requirement that a duty station must be eligible for 12-month home leave before it would be considered for additional freight entitlement. Finally, CCAQ had decided to grant time off for

medical check-ups, in conjunction not only with home leave but also with annual leave.

215. The representative of FICSA reported that serious problems in recruiting and retaining highly qualified staff by common system organizations, particularly for hardship duty stations, had produced delays in programme implementation. These problems were due partly to slow reactions by the United Nations system to changing needs and to the fact that competing bilateral and other programmes offered better conditions. The representative from FICSA stated that the present level of financial incentive, which amounted to \$12 per day for the most difficult duty stations, was totally insufficient. Account should be taken of the fact that, at many hardship duty stations with low or negative post adjustment, net salary was up to 50 per cent lower than at headquarters. While the proposed increases in the incentive would enable the United Nations system to offer more competitive conditions of service than at present, they would still be below those of other development assistance programmes. FICSA also supported the proposed revisions in the questionnaire to ascertain the degree of hardship at the duty stations concerned. A staff representative from UNDP called in by FICSA testified, on the basis of his own field experience, concerning the real-life problems commonly encountered by staff at hardship duty stations. Finally, FICSA reiterated the need for recognition and just rewards for staff facing daily difficulties that impeded their development efforts.

216. The Convenor of CCISUA stated that CCISUA strongly supported an increase in the financial incentives to \$7,200. Regarding the 18-month home leave cycle, CCISUA supported the position of greater flexibility in the use of the entitlement, since so many staff had found it difficult to utilize it fully. CCISUA also supported the improvements in the conditions of service in the field, namely, that education grant travel should be permitted in the same year as home leave travel and that an additional freight entitlement should be given to staff at isolated duty stations who did not receive the 12-month home leave entitlement. Because field service was such a vital component of United Nations programmes, CCISUA regretted that it had not been possible to strengthen the system of incentives. Finally, CCISUA drew the Commission's attention to the fact that many of the problems at field duty stations were aggravated by negative post adjustment and urged the Commission to take this fully into account in its deliberations.

Discussion by the Commission

217. Commission members, noting that it had been three years since the financial incentive levels had been reviewed, raised a number of detailed questions and reviewed alternative methodologies for determining financial incentive levels. It was recognized that it was necessary to keep the methodology for determining appropriate financial incentive levels as simple as possible and it was agreed to express them in terms of months of salary. However, the system for granting increases to the financial incentive levels must not become automatic.

218. During the discussion, members noted that insufficient justifications had been provided for a change to be made in the entitlement for additional education grant travel as proposed by the working group or as modified by CCAQ. It was noted that the proposed changes in the thresholds for determining certain entitlements would only cost some \$27,000 per year system-wide. With regard to the proposal concerning staff who had temporary housing problems, the Commission was of the opinion that it would be more appropriate to provide entitlements to those

experiencing hardship and not provide them to those who were not experiencing hardship. Members noted, however, that the proposal would eliminate an existing loophole that currently enabled all staff at a duty station to benefit from the hardship experienced by a few. In discussing the proposal to eliminate the requirement that duty stations must submit questionnaires every three years, members stressed the importance of obtaining periodically up-to-date and reliable information concerning changes in conditions at duty stations. Many of the factors that affected conditions of life and work were volatile and could change significantly in a relatively short period of time. Many members stated that it would be difficult for the secretariat, from its vantage point in New York, to have knowledge of changes without the benefit of the detailed information included in the questionnaires. The new questionnaire was found to be an improvement over the previous version.

Conclusions of the Commission

219. The Commission decided:

(a) To establish the following new financial incentive levels (equivalent to two months' net salary at the P-4, step VI level, at the base in New York) with effect from 1 July 1987:

	<u>Without dependants</u>	<u>With dependants</u>
	\$	\$
Financial incentive Level I	2 700	5 400
Financial incentive Level II	3 600	7 200

The financial implications of the measure were estimated at \$1.4 million for the common system.

(b) To review the levels of the financial incentives whenever there was a change in net salary at the base in New York;

(c) To retain the current restrictions on additional education grant entitlements;

(d) To retain the existing requirement that duty stations receiving entitlements would be reviewed every three years, or sooner if so decided by the ICSC secretariat or requested by staff at the duty station.

220. The Commission also decided:

(a) To approve the changes recommended by the working group in respect of the questionnaire;

(b) To approve the three proposed revisions to the thresholds for determining entitlements, with estimated financial implications of \$27,000 a year for the common system;

(c) To approve the recommendation of the working group to provide accelerated home leave entitlements for staff experiencing temporary housing shortages on the understanding that the entitlement would be limited strictly to those staff unable to find permanent housing and that there would be strict monitoring and certification by the United Nations resident co-ordinator of such cases;

(d) To review again the system for providing accelerated home entitlements indicated in (c) above in two years' time on the basis of experience with the operation of that scheme.

D. Exceptional financial arrangements for staff serving at Beirut

221. The Commission examined a note by CCAQ proposing an increase in the financial incentive from \$550 per month to \$1,100 per month with effect from 1 April 1987 for all international staff whose duty station was Beirut and to increase the bonus paid to locally recruited staff required to report to work at Beirut from 20 per cent to 30 per cent. The basis for these proposals was the continuing deterioration in the security situation at Beirut, particularly in the preceding few months, and the consequent difficulty in assigning staff to that location. An oral presentation on this matter was made by the representative of the United Nations, as Security Co-ordinator for the common system, on behalf of CCAQ.

Views of the staff representatives

222. The President of FICSA expressed the Federation's solidarity with the staff of the United Nations system serving at Beirut under extremely trying and dangerous conditions. In giving full support to the proposed increase in the financial arrangements, FICSA stressed that the increase should not be seen as a "premium" for risk and certainly not as the only solution to the problem. FICSA had already taken steps to raise the matter of the security of the staff in other forums.

Discussion by the Commission

223. Members of the Commission expressed their appreciation of the work of the staff stationed at Beirut and recognized the need to provide a level of incentive that took into account the dangerous security situation. The Commission noted that other services were compensating their staff for serving under dangerous conditions at Beirut, including the comparator, which paid its staff a supplement of 50 per cent of their net base pay. A doubling of the existing financial incentive for United Nations system staff, therefore, did not appear out of line with the conditions at Beirut.

Conclusions of the Commission

224. The Commission decided:

(a) To increase the temporary financial incentive for internationally recruited staff stationed at Beirut from \$550 per month to \$1,100 per month (which would be pro-rated for staff on temporary assignments to Beirut), with effect from 1 April 1987;

(b) To increase the bonus paid to locally recruited staff who were required to report to work at Beirut from 20 to 30 per cent of their base salary with effect from 1 April 1987;

(c) To request its Chairman to review the situation at Beirut every six months, or sooner, if appropriate, and to decide, under delegated authority from the Commission, in the light of that review, whether payment of the temporary financial incentive should be continued.

The financial implications of the measures included in (a) and (b) were estimated at \$0.24 million a year.

E. National Professional Officers

225. The Commission had before it a document prepared by the United Nations, UNDP, UNICEF and UNHCR with regard to a job classification standard and the salary survey methodology for the NPO category, as well as an addendum in which statistics were provided by CCAQ on the employment of NPOs by those organizations.

Views of the organizations and the staff representatives

226. The representative of the United Nations recalled that the United Nations, UNDP and UNHCR had initiated the implementation of the NPO category in their organizations after the Commission had promulgated the Master Standard for the classification of Professional level work and that these organizations had applied the Master Standard in the classification of all NPO posts. UNICEF, which had had its own classification system for the grading of international Professional level posts since 1978, applied the same criteria in classifying international Professional posts, project posts and NPO posts. Following the promulgation of the Master Standard in 1980, UNICEF tested its compatibility with its own system. In 1984 UNICEF decided to apply the Master Standard gradually, and thereafter had classified all requests for classification action for both international and NPO posts in accordance with the Master Standard. As a result, some 60 per cent of all NPO posts had been classified under the Master Standard. The United Nations representative also stressed that two important elements of the NPO category, namely the knowledge of the local language and the absence of the requirement for international working experience, could both be adequately addressed by the Master Standard, which the four organizations considered the appropriate standard to use. It was further noted that there was currently no classification system for staff in the EGSL, but that the organizations wished to review this issue at a time when more experience had been gained in the application of the classification standard for General Service in the small and medium-sized duty stations, which the Commission was expected to promulgate at the current session.

227. The representative of UNDP introduced the section of the document dealing with the salary survey methodology. He noted that the survey methodology currently applicable to locally recruited staff at non-headquarters duty stations was relevant largely for determining the conditions of service of NPOs. He directed the Commission's attention, however, to two features of the proposed methodology:

(a) Standard survey job descriptions based on the Master Standard would be used irrespective of the duty station and, in the job matching exercise, emphasis would be placed on the level of responsibility of the position as opposed to job functions;

(b) Survey employers would be specifically selected for this category of staff, and separate analyses of non-cash quantified benefits would be conducted with separate non-pensionable components established, if appropriate.

He proposed that neither overtime nor the language allowance should be applicable to NPOs and that dependency allowances and the interim adjustment process should be the same as for the General Service category.

228. The representatives of FICSA and OCISUA took note of the documents.

Discussion by the Commission

229. The Commission reaffirmed its recognition of the need for NPOs under specified conditions but expressed some concern about the increasing number of staff in this category and the expectation that this category of staff, which had been recruited for specific purposes, might expect to be appointed at the International Professional level. The Commission was informed that staff in this category were not subject to reassignment and that there was no commitment on the part of the organizations, nor were there expectations on the part of the staff, that an appointment might eventually lead to an assignment at the International Professional level. With regard to the proposed survey methodology, the Commission noted the applicability of the existing non-headquarters survey methodology for General Service staff. One member expressed concern about the selection of survey employers, which he suggested should consider the relative conditions of service of national civil service staff.

Conclusions of the Commission

230. With regard to the job classification standard for the NPOs, the Commission decided:

(a) That the Master Standard for the classification of Professional posts was the appropriate standard for classifying NPO posts;

(b) That proposals should be made by the organizations at the Commission's twenty-eighth session on how to deal with the overlap in functions of staff in the EGSL and NPO categories.

231. The Commission approved the proposed survey methodology for NPOs, including:

(a) The selection of survey jobs and employers;

(b) The adjustment for work-week differences;

(c) The use of weighting in data analysis on a grade-by-grade basis;

(d) The analysis of non-pensionable allowances separately from those for the General Service category.

232. It further approved the establishment of dependency allowances on the same basis as the General Service category and agreed that overtime and the language allowance should not be payable to NPOs.

F. Field Service category

233. At its twenty-fifth session, the Commission considered a note prepared by its secretariat and a report of the United Nations Secretariat on the development of the Field Service classification standard and benchmark job descriptions. These documents had been deferred for consideration from the Commission's twenty-fourth session. The Commission was also informed by its secretariat that FAO, which applied some of the Field Service pay scales for a few functions, had developed an additional benchmark job description for Administrative Clerk, level FS-5, for internal use. This benchmark was also made available to the Commission separately. At the twenty-sixth session, the matter was reviewed again on the basis of further clarifications provided by the United Nations at the request of the Commission.

Views of the organizations and the staff representatives

234. The representative of the United Nations recalled that this was one of the items that the Secretary-General had singled out for comment. The Field Service was peculiar to the United Nations and its peace-keeping functions, and the Secretary-General considered their conditions of service his personal responsibility. In commenting on the document of the ICSC secretariat, the United Nations representative questioned whether the second sentence of article 13 of the ICSC statute would ever be applicable if it were not applied in the case of the Field Service. The Commission's advice was requested in that the United Nations wanted these standards to be consistent with the standards that the Commission had already established or might establish in the future. With regard to the more technical points raised by the ICSC secretariat on which the advice of the Commission would also be welcomed, the United Nations representative explained that the term "recruitment-level" jobs and posts denoted the level at which staff were recruited and at which they remained for some years as the United Nations recruited only well-trained and experienced staff for the Field Service. He also mentioned that in the case of the Field Service it would be impractical to provide percentages of confirmations, upgradings and downgradings, not only because no classification system was currently being applied and the gradings were partly based on a rank-in-person approach, but also because the incumbents of nearly all the posts had changed in the mean time. One practical result of the development of the standards had already been the adjustment of the system of assignments so that the level of the post to which a staff member was reassigned was given more weight in the reassignment process. As to the representativity of the benchmark jobs and the relationship between those posts and the Common Classification of Occupational Groups (CCOG), a table showing their representativity and their relationship to the CCOG was provided to the Commission. The United Nations agreed that a benchmark job description for drivers at the F-1 level would be appropriate, although no such post existed at the time. A benchmark job description would also be prepared for procurement assistants. The United Nations representative said that the Secretary-General had made his position clear regarding promulgation or advice; the implementation had been held up pending the completion of the New York General Service exercise, but the United Nations hoped to be able to report on it in time for the twenty-seventh session. At the twenty-sixth session he stated that this

issue had been fully discussed at the previous session and, with reference to the clarifications requested by the Commission, he indicated that the United Nations had not been able to reply specifically since he was not aware of what was discussed in closed session. The United Nations representative said that the Secretary-General would consider the Commission's advice and was ready to amend the standard to take into account any comment the Commission wished to make.

235. CCISUA supported the position that the Field Service category should continue to remain a separate category. Because of the nature of the work, the representative of CCISUA stressed that the only way in which to obtain consistent results was to view the point-factor standards in conjunction with benchmark job descriptions. CCISUA supported the introduction of the post description of driver to the list of benchmarks.

Discussion by the Commission

236. In addressing the item, the Commission focused on the question of whether to promulgate the standard or to give advice. The question was linked to the issue of whether fields of work in the Field Service category were common to those in other organizations. It was noted that the Secretary-General had already approved the standard and had submitted it to the Commission for advice, since he considered that the Field Service was peculiar to the United Nations and that the standard applied to a field of work not common to other organizations. The Commission recalled that at its twenty-third session it had been informed by the organizations that the use of the Field Service pay scales by other organizations was being phased out. It was made clear that FAO continued to apply those scales, that UNDP paid about 50 to 60 staff members on that basis and that UNHCR was using Field Service pay scales for some of its staff. The Commission considered, therefore, that this matter was a common system issue. The Commission was also informed that other organizations applied different solutions for sending internationally recruited General Service staff to field duty stations if qualified staff could not be recruited locally.

237. The Commission expressed its concern about the differences in pay that might occur at one duty station for similar duties. One common system staff member might be paid at the Field Service level while others might be paid at the General Service or Professional levels. The Commission reviewed again the information on Field Service pay levels, comparing them with the United States Foreign Service levels and the scales for the Professional category at different duty stations, which it had received earlier, at the twenty-third session.

238. In considering such data, the Commission was concerned about the apparent anomalies in conditions of pay at some duty stations. It was also critical of the fact that other organizations applied the Field Service scales. If Field Service was purely a United Nations category, then those scales should only be used by the United Nations for the Field Service and not by the other organizations. If, however, the other organizations continued to use the scales, then it became a common system issue.

239. Although FAO and UNDP stated that they found the standard acceptable, the Commission found that there had been insufficient co-ordination in the development of the standard between those organizations and the United Nations despite the Commission's earlier request that the United Nations Secretariat co-ordinate with the other organizations concerned. It also noted that the ICSC secretariat had not

been involved in that development and that certain suggestions made by the ICSC secretariat had not been included in the standard because the Secretary-General had already approved it.

240. At the request of the Commission, the Chairman informed the Secretary-General of the reservations concerning the remuneration arrangements for the Field Service category and the elaboration of job classification standards for that category. In particular, the Secretary-General's attention was drawn to the use of the remuneration levels and job standards by other organizations of the United Nations common system and the fact that neither they nor the ICSC secretariat had been associated in their development, although the United Nations had subsequently provided some information to the interested parties. The Chairman also invited the Secretary-General to clarify his views on the role of the Commission and its secretariat in the circumstances in providing post facto the advice he had requested on standards that he had already approved. Members questioned the role of the Commission in promulgating or providing advice on a standard that had already been approved and in which its secretariat had had insufficient involvement. The Commission found the subsequent response of the United Nations to its request for clarifications had not been sufficiently comprehensive and concluded that a study should be made by its secretariat of what the basis for the salary system should be, taking into consideration the job classification standards. The study should be co-ordinated with the organizations using the Field Service salary scales.

Conclusions of the Commission

241. The Commission noted that as several organizations were applying the Field Service job classification standards and remuneration system, the Field Service category applied to the common system.

242. The Commission therefore requested its secretariat:

- (a) To undertake a study in order to establish an appropriate basis for the establishment of the Field Service salary scales and allowances;
- (b) To take into consideration the job classification standards developed by the United Nations for the purpose of that study and to make recommendations for amending the standards if appropriate;
- (c) To co-ordinate the study with the United Nations and the other organizations applying the Field Service scales.

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 13 OF ITS STATUTE

A. Implementation of the Master Standard (Tier I)

243. The Commission reviewed reports on the implementation of the Master Standard by organizations prepared by its secretariat on the basis of detailed statistics submitted by FAO, UNDP, UNICEF, WHO and UNHCR.

Views of the organizations and the staff representatives

244. The Chairman of CCAQ noted with satisfaction that the Master Standard had been implemented throughout the common system and that the above-mentioned detailed statistics completed the information submitted by organizations on implementation as requested by the Commission. He expressed agreement with the recommendation that the organizations be requested to report on the implementation of the Master Standard in detail every three years in conjunction with the provision of information on the implementation of ICSC recommendations and decisions.

245. FICSA and CCISUA took note of the proposed decisions of the Commission.

Conclusions of the Commission

246. The Commission decided:

(a) To note the rate of implementation of the Master Standard and confirmation of levels in UNDP, UNICEF and UNHCR and that no further detailed statistics were needed from those organizations;

(b) To note the high confirmation rate of classified levels of posts in FAO and that the implementation rate had overtaken the accumulated turnover rate and that no further detailed statistics were required from that organization;

(c) To note the rate of implementation of the Master Standard of 30 per cent and the high overall confirmation rate in WHO of Professional level posts, including project posts, and to request WHO to submit detailed statistics on further implementation in 1987 at the twenty-seventh session;

(d) To request the organizations to report in detail every three years on the implementation of the Master Standard when they submit information on the implementation/consideration of the Commission's recommendations and decisions.

B. Definition of General Service work

247. At its twenty-sixth session, the Commission reviewed the following definition of General Service work developed by its secretariat in close consultation with the CCAQ Sub-Committee on Job Classification (SCJC):

"General Service work is procedural, operational or technical in nature and supports the execution of the programmes of the organization. It ranges from simple, routine or repetitive duties based on following detailed

instructions to varied and complex assignments requiring identification and consideration of alternative courses of action based on extensive and in-depth practical knowledge of a specific subject area. The assignments are generally performed on a continuing basis. The knowledge of the subject field and higher-level skills are generally developed through long experience and familiarity with applicable procedures, regulations and precedents or projects of the organization in a narrow technical field or in an administrative support activity."

The Commission was requested to promulgate the definition to be used as a step in the methodology for distinguishing between Professional and General Service work. If promulgated, the definition and the procedure to be followed would be included in the revised version of the CCOG, which was submitted to the Commission at the same session for information.

Views of the organizations and the staff representatives

248. The Chairman of CCAQ recalled that the definition of General Service work had been developed in close consultation with SCJC and that CCAQ had subsequently endorsed the proposed definition.

249. The representatives of FICSA and CCISUA took note of the secretariat's note but stated they were not in agreement with the general principle of the distinction between the two categories.

250. The representative of ILO, in his capacity as Chairman of SCJC, stated that the proposed definition would be a very useful addition to the methodology of distinguishing between Professional and General Service work. Organizations would be able to determine more clearly the classification of borderline posts.

Conclusions of the Commission

251. After some clarifications by its secretariat, the Commission decided:

(a) To promulgate the definition of General Service work and adopt the two-step procedure for the determination of this level of work;

(b) To note that this procedure would be included in the revised version of the CCOG.

C. Development of a job classification standard at Baghdad

252. At its twenty-fifth session, the Commission reviewed a draft job classification standard for staff in the General Service category at Baghdad and requested that benchmark job descriptions should be developed to supplement the standard.

Views of the United Nations

253. At the twenty-sixth session, the representative of the United Nations indicated that the benchmark job descriptions would not be available until late August 1987 and requested that the Commission should delegate authority to its Chairman to approve the benchmark job descriptions.

Discussion and conclusions of the Commission

254. The Commission decided:

- (a) To delegate to its Chairman the authority to promulgate the job classification standard for the General Service at the Baghdad duty station and to approve the benchmark job descriptions;
- (b) To request the organizations concerned to provide at the twenty-seventh session a progress report on the implementation of the job classification standard.

D. Development of classification standards for the General Service at Santiago

255. At its twenty-fifth session, the Commission considered a report on progress in the development of classification standards for the General Service at Santiago.

Views of the United Nations

256. The representative of the United Nations shared the Commission's concern at the lack of progress at Santiago and reaffirmed that the United Nations would make every effort to revitalize the project at that duty station.

Discussion and conclusions of the Commission

257. The Commission recalled its earlier considerations with regard to the lack of progress at Santiago and decided to note with regret the lack of progress at Santiago and to request the United Nations to ensure the submission of a progress report, including draft standards, at its twenty-seventh session.

E. Common classification standard for the General Service at small and medium-sized duty stations

258. At its twenty-sixth session, the Commission reviewed a support standard for the General Service in small and medium-sized duty stations.

Views of the organizations and the staff representatives

259. The Chairman of CCAQ noted that the common classification standards consisted of the benchmark standards, which were promulgated by the Commission at its twenty-third session, and the support standard. This point-rating matrix standard was, in effect, a slightly revised version of the standard already promulgated by the Commission for the Addis Ababa duty station. It had been modified during the testing of that standard at Baghdad in order to accommodate the characteristics of work in small and medium-sized duty stations. He further proposed the deletion of the G-2 office equipment operator and the addition of a G-6 administrative assistant benchmark. In addition, the organizations had developed a series of interpretation tools for use in conjunction with the standard, including guidelines for the application of the standard, a glossary of terms and generic grade level definitions.

260. The representatives of FICSA and CCISUA took note of the document submitted by the Commission's secretariat.

Discussion and conclusions by the Commission

261. The Commission considered the document prepared by CCAQ and noted the importance of the completion of a common classification standard for General Service posts in the majority of field duty stations.

262. The Commission decided:

(a) To promulgate, with immediate effect, the point-rating matrix standard;

(b) To promulgate, with immediate effect, the G-6 administrative assistant benchmark;

(c) To delete from the benchmark standards already promulgated the G-2 office equipment operator benchmark;

(d) To note that the organizations have developed a series of interpretation tools to be applied in conjunction with the standard and to agree that the maintenance of the common classification standard should continue to be the responsibility of the organizations;

(e) To agree that the review of the relationship of the EGSL to the common classification standard should be deferred until further experience has been acquired in the application of the standard;

(f) To take note of the procedures developed by the organizations for co-ordinating the implementation of the standard, and to request the organizations to provide a progress report in this regard at the twenty-ninth session including progress in the development of a uniform grade structure, as well as on the relationship between the standard and EGSL work.

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

263. At its twenty-fifth session, the Commission considered a note prepared by its secretariat providing the latest information received from the United Nations on the implementation of the job classification of the General Service and related categories in New York.

Views of the United Nations

264. The representative of the United Nations reported that the implementation of the initial exercise had taken place in March 1987 and he referred to the annex to the note of the ICSC secretariat, showing a table with the grades and levels of all posts in the General Service and related categories at United Nations Headquarters listed according to the CCOG.

Views of the staff representatives

265. The Convenor of CCTDA drew the Commission's attention to the problem concerning the link between the Public Information Assistants and the General Service classification standard.

Discussion by the Commission

266. At its twenty-sixth session, the Chairman reported to the Commission that consultations had taken place with the United Nations, which had subsequently decided to continue to maintain the Public Information Assistants as a separate category of staff in view of their special recruitment requirements and to introduce a structure with three clearly recognizable levels. This approach had been agreed to by the departments and offices concerned as well as the staff representatives.

Conclusions of the Commission

267. The Commission decided:

(a) To note that the results of the job classification of the General Service and related categories in New York were being implemented effective 1 January 1985;

(b) To reaffirm the need for benchmark job descriptions;

(c) To repeat its request to the three organizations based in New York to develop common benchmark job descriptions for the General Service and related categories in New York for review at its twenty-seventh session.

G. Implementation of the job classification standards for the General Service and related categories at Vienna

268. At its twenty-fifth session, in March 1987, the Commission considered the implementation of the job classification standards, including a proposal for three additional benchmark job descriptions at the G-8 level, as well as confirmation rates of salary survey benchmark job descriptions by using the common grading standards. At its twenty-sixth session, the Commission reviewed a report on further progress made in the implementation of these standards.

Views of the organizations and the staff representatives

269. The representative of UNIDO recalled the decision of the Commission that no overall classification exercise was required in view of the high confirmation rate of the new standards against those previously in use at the Vienna duty station. Accordingly, when the new standards had come into effect in UNIDO and IAEA, in August 1986 and January 1987 respectively, classification action had been concentrated primarily on vacant and new posts and on posts that had not been classified previously.

270. The United Nations stated that it was in the process of establishing a delegation of authority for classifying posts on which a future review of all posts at the United Nations Office at Vienna against the promulgated standards would be based.

271. The representative of the staff of the Vienna-based organizations took note of the documents prepared by the ICSC secretariat.

Conclusions of the Commission

272. The Commission decided to promulgate the three additional benchmarks. It also took note of the progress made in the implementation of the standards to date and requested the Vienna-based organizations to provide a further progress report at its twenty-eighth session.

H. Implementation of job classification standards at Addis Ababa

273. The Commission reviewed progress reports received from several organizations on the implementation of the job classification standards of the General Service and related categories at Addis Ababa.

Views of the organizations and the staff representatives

274. The representative of the United Nations stated that the classification review of all jobs at ECA should be completed in early August and that the United Nations had notified the organizations of its intent to conduct a salary survey in early autumn. He noted that a co-ordinating committee had been established to co-ordinate the activities of all organizations with staff at the duty station for the implementation of the job classification exercise and to develop further benchmark jobs as had been requested by the Commission.

275. The representative of FICSA took note of the progress reports. The representative of CCISUA noted the disappointment of the staff at Addis Ababa over the fact that, because of the non-implementation of the standard classification, no survey of General Service staff salaries had been conducted recently.

Discussion and conclusions of the Commission

276. The Commission considered the progress reported in the implementation of the job classification standards for the Addis Ababa duty station. It noted that the majority of organizations expected to have their classification action completed in the early autumn, at which time the United Nations intended to conduct a salary survey. It expressed concern that at least one organization had not yet implemented the standards that were promulgated by the Commission in 1985 and requested the United Nations to co-ordinate with FAO and any other organization concerned on this matter.

277. The Commission decided:

(a) To note the progress reports on the implementation of the common grading standards at Addis Ababa;

(b) To urge those organizations that had not yet done so to implement the common grading standards promulgated in 1985;

(c) To request the organizations concerned to report to the Commission on the progress of implementation of the common grading standards at its twenty-eighth session;

(d) To request the co-ordinating committee, through the United Nations, to provide the final guidelines for implementation of the conversion of the grade levels at Addis Ababa to the Commission for information;

(e) To reiterate its request, through the United Nations, that the co-ordinating committee should develop further benchmark job descriptions for the General Service and related categories at Addis Ababa.

CHAPTER VII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

A. Recruitment policy

1. Equitable geographical distribution: further reports on unrepresented and underrepresented countries

278. The Commission considered the question of equitable geographical distribution in the context of recruitment policy at its twenty-third and twenty-fifth sessions. The Commission had before it data on unrepresented, underrepresented and overrepresented countries, particularly as they applied to the five largest organizations of the common system, the United Nations, ILO, FAO, UNESCO and WHO, and provided the basis for its recommendations on improving recruitment sources from unrepresented and underrepresented countries.

Views of the organizations and the staff representatives

279. The Chairman of CCAQ reminded participants that geographical distribution was a subject of great political interest to governing bodies, where the organizations' policies on the matter were defined. While the organizations favoured closer co-operation in the recruitment area, this was not an auspicious time for recruitment in general. The organizations would however endeavour, to the extent feasible, to co-operate and assist each other in their efforts to achieve equitable geographical distribution. Finally, CCAQ expressed its appreciation for the useful reference material found in the tables annexed to the secretariat's document.

280. The representative of the United Nations informed the Commission that, in view of the staff reductions recommended by the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, lower ranges would be introduced in the Secretariat. While it was not yet decided whether the base figure for posts subject to geographical distribution would be reduced by 10 per cent or by 15 per cent, the reduction would however increase to a certain degree the number of overrepresented States and decrease the number of underrepresented countries.

281. The representative of UNESCO assured the Commission that, despite the considerations related to language posts put forward in the document entitled "Geographical distribution of the staff and revision of the quota system" presented to the Executive Board of UNESCO at its one hundred and twenty-fifth session, it was not the current wish of the Director-General of UNESCO nor of the majority of member States to include language posts.

282. The representative of FICSA recalled the Federation's position that, while geographical distribution was an inherent feature of the international civil service, it should not be the paramount consideration in the recruitment of staff. Therefore, FICSA could not support the interpretation given by the Commission in 1986 that geographical distribution was by no means secondary. A recent judgement of the Administrative Tribunal of the United Nations (AT/DEC/310), in fact, confirmed that geographical distribution came second. FICSA requested that the Commission should re-examine the question of supplementary payments by certain Member States that were among the underrepresented nations to provide an incentive

for service in the United Nations system. Those payments were a clear indication of the inadequacy of the current remuneration package, which put a serious strain on geographical balance.

Discussion by the Commission

283. In response to the representative of FICSA, who had stressed that in the recruitment of staff geographical distribution was not the principal criterion, the view was expressed that, while standards of efficiency, competence and integrity were a sine qua non in the recruitment of staff, geographical distribution was an extremely important element in that it imparted to the organizations their universality.

284. One member was of the view that the system of ranges established by the five largest organizations tended to obscure the real situation with regard to geographical distribution, and proposed a new formula for the calculation of geographical posts, which would avoid wide deviations from the mid-point of the ranges. The same member was perturbed by the possibility that UNESCO might include language posts among those posts subject to geographical distribution, which would put some countries at a disadvantage. Another member concurred on the latter point. The majority was of the view that the Commission had no mandate to establish desirable ranges for the organizations, as they were already the subject of extensive debate in the legislative bodies of the individual organizations.

285. Several members referred to the point raised by FICSA regarding countries where remuneration levels were so high that supplementary payments had to be provided to their nationals working in United Nations agencies, and requested further information on the nature of, and specific reasons, for such payments. The Commission requested its secretariat to collect such information for its consideration at the twenty-sixth session.

Conclusions and recommendations of the Commission

286. The Commission concluded that:

(a) The criteria used to define equitable geographical distribution could be established by the larger organizations of the common system, but for the smaller organizations such distribution should be set in accordance with their individual programmes and mandates;

(b) The majority of unrepresented countries tended to fall into several main categories: new States; small island States; oil-producing States, mainly in the Middle East, but also elsewhere; and countries defined as least developed.

287. The Commission recommended that the organizations should engage in closer co-operation to develop a concerted prospecting programme for unrepresented countries that would consist of the following steps:

(a) The launching of a publicity campaign to present current common system employment opportunities and stress at the same time the ongoing nature of the recruitment programme to potential candidates;

(b) Bearing in mind the recruitment constraints faced by several of the organizations, to the extent possible, the organizing of inter-agency recruitment

missions to unrepresented countries or regions to survey the recruitment potential of a given country and to identify candidates, particularly young people who could be further prepared for international service. The missions would be based on vacancies projected for the medium term and composed of recruitment specialists;

(c) The creation of internships and fellowships that would provide on-the-job training and experience for promising, but not yet fully qualified, young candidates;

(d) Encouraging organizations that did not already have such schemes to establish Junior Professional Officer, associate expert and youth programmes for young professionals;

(e) Arrangements for the recruitment of Professional staff on a secondment basis for countries that could not spare their trained cadres to international organizations for more than a few years at a time.

288. The Commission also recommended that organizations that had not already done so should consider giving priority in their recruitment efforts to unrepresented and underrepresented countries along the lines established by the United Nations and WHO.

2. Progress made since the twenty-fourth session in undertaking special measures for the recruitment of women

289. At its twenty-sixth session, the Commission continued its consideration of this matter, which it had first taken up at its twenty-second session. On the basis of an interim report prepared by its secretariat, the Commission examined a range of data related to the recruitment and promotion of women in the organizations of the common system for the years 1985 and 1986. The secretariat's document noted that most organizations were still recruiting men at higher rates than women and that for women this recruitment tended to take place below the P-4 level. With respect to promotion, on which data had not previously been available, while the rate for women compared favourably with that of men, in this area as well promotion took place for the most part below the P-4 level.

Views of the organizations and the staff representatives

290. CCAQ noted the statistical information contained in the document, adding that the organizations attached great importance to this subject. It was a standing item on the ACC work programme. CCAQ had been actively following up the recommendations of the inter-agency meeting convened by it last year on measures to increase the recruitment of women to both core and project posts in the United Nations system. CCAQ would be presenting to ACC next year a report on measures to enhance the inter-organizational mobility of women. CCAQ was in accord with the secretariat's proposal to present full progress reports on the subject every two years, with reports based on statistical data submitted in alternate years. While statistics did not tell the whole story, they did serve as an indicator and a reminder to the organizations of where they stood and what needed to be done if they were to meet the goals they had set themselves. CCAQ cautioned against superficial analysis of these data. A full analysis, of the type so competently presented by the ICSC secretariat at the twenty-fourth session, would require a discussion of the types of posts for which the organizations were recruiting, the

percentage of women applicants and other highly pertinent factors. CCAQ reaffirmed its commitment to this subject and looked forward to reverting to it in the coming year when it would have the opportunity of reviewing a full progress report.

291. The President of FICSA noted that, were it not for the inclusion of linguistic posts not subject to geographical distribution where women were strongly represented, the statistics presented in the ICSC document would be far worse than they were. It was to be regretted that project personnel were not included, particularly as it was now recognized that much greater attention had to be paid to the role of women in economic development. While some organizations were making efforts to increase the participation of women, others were dragging their feet. Given the recruitment freeze being applied in some organizations, the only way to achieve progress was to give preference to women for promotion whenever their experience and qualifications were comparable to those of male candidates.

292. The representative of CCISUA, recognizing the essentially statistical nature of the ICSC document, hoped not only that the Commission would decide to devote regularly a full, detailed report on progress made towards improving the status of women in the organization of the common system, but that it would also actively promote the implementation of the recommendations it had made at previous sessions. In spite of their dryness, the statistics provided proved eloquently that an enormous effort remained to be made to correct inequities and redress imbalances of long standing in the areas of the recruitment and promotion of women.

Discussion by the Commission

293. The Commission engaged in a comprehensive discussion of the topic. The statistics presented in the ICSC paper demonstrated that the organizations were still not pursuing this matter vigorously enough. It was suggested that appointment and promotion bodies should be more equitably constituted, thus confirming a recommendation made at the twenty-second session. Several members of the Commission expressed the view that the ICSC secretariat should serve as a model for the system and expressed the hope that the policies recommended regarding fairness in recruitment and promotion were being applied internally as well. In this regard the Chairman confirmed that this applied both to the secretariat and to the Commission. It was proposed that the ICSC secretariat should be included in future statistical reports.

294. Some concern was voiced over the proposal made by the Steering Committee for the Improvement of the Status of Women in the Secretariat to the effect that accelerated promotions should be considered for deserving women in the United Nations who might not have attained the required seniority. While this recommendation was made on behalf of only one organization, it was explained that in many organizations women had not had a fair share since it took them longer than men to move from one level to the next; this prompted the aforementioned recommendation, which represented an attempt to correct past anomalies.

295. The Commission noted the intention of CCAQ to make a study and report next year on inter-organizational mobility; this study would also attempt to identify the reasons for what it perceived as women's lack of mobility. In this regard some members of the Commission were concerned at the assignment difficulties faced by couples who were both employed, by the same or by different common system organizations.

Conclusions of the Commission

296. The Commission decided, on the basis of the secretariat's data, and noting the limited progress made in this area over the past year:

(a) To reaffirm the validity of its previous recommendations;

(b) To keep the item on its work programme by conducting extensive monitoring biennially on the basis of full progress reports and, in alternate years, on the basis of statistical data.

B. Performance appraisal and the recognition of merit

297. The Commission considered a document prepared by its secretariat proposing a set of principles and guidelines for performance appraisal and considerations that should guide recognition of merit. These principles together with the specific guidelines are provided in annex XV to the present report.

Views of the organizations and the staff representatives

298. The Chairman of CCAQ agreed with the statement in the secretariat's document that "it is important that organizations should retain the maximum possible flexibility to establish and operate performance appraisal systems most closely related to their needs". The fact that the performance appraisal form proposed by the Commission in 1981 did not meet the needs of organizations was evidence that such appraisal systems did not lend themselves to uniform presentation and use throughout the common system. The experience gained with the form proposed in 1981 should be taken into account, and CCAQ suggested that final and detailed implementation aspects, including some of those mentioned in the guidelines, should be left to organizations, including the drafting of forms. The organizations agreed with the general approach reflected in the 10 performance appraisal principles even if several of those principles, mainly principles V, VI and VII, were conceived in a spirit of "management by objective", which might raise problems of understanding, and even implementation, in a multi-cultural environment such as the United Nations system. CCAQ wished to point out that the determination of tasks and performance appraisal were the responsibility of management. While agreeing with principle XI, concerning appropriate consequences for different performance levels, the associated guidelines concerning implementation should be left to organizations. The organizations agreed to set targets in order to make their performance appraisal systems consistent with the performance appraisal principles by July 1992. They also agreed to send their performance appraisal and recognition of merit plans, systems and forms to the ICSC secretariat for information, but a review (as recommended in the secretariat document) for consistency with the recommended principles and guidelines prior to implementation by the ICSC secretariat would infringe the prerogatives of the executive heads.

299. The representative of FICSA regretted that the secretariat's document did not establish a link between performance appraisal and human resources planning, career development and staff training. This link was of particular importance at a time when many organizations were facing financial difficulties. It was also a valuable tool in achieving greater job satisfaction. The document had over-emphasized the role of supervisors in performance appraisal and not placed enough stress on the essential role of the staff themselves. Appropriate recourse procedures through a

joint staff-management machinery must be available to staff to rebut performance appraisals. To protect staff against the abuse of sanctions, there should be full staff participation at the organizational level in the establishment of criteria to be met before any sanction could be invoked. FICSA pointed out that the secretariat's reference to the availability of funds to grant step increments and extensions of contracts was out of place in the context of performance appraisal. FICSA proposed that, before formulating guidelines on performance appraisal addressed to the organizations, the secretariat's document should be reviewed. FICSA submitted its position on performance appraisal in writing and emphasized the following: the setting of programme, management and training objectives should be part of the appraisal exercise. The objectives of performance appraisal included improving the staff member's performance, providing a basis for administrative decisions, promoting career goals and identifying training needs. Performance appraisal was an important tool for identifying the individual's potential for transfer to another post, either in the same career path or to another occupational group, with a view to career development and job satisfaction.

300. The representative of CCISUA was particularly concerned about the proposals to exclude complainants regarding performance ratings from rebuttal or grievance procedures. To eradicate a procedure that staff considered vital to equitable and accurate performance evaluations and to replace it with a simple review of the rating by the second-level supervisor alone would be a significant step backwards in the evolution of due process.

Discussion by the Commission

301. The Commission reaffirmed the importance of performance appraisal as a tool that could help to improve communication between supervisors and staff and that, when used appropriately, could lead to improvements in the performance of staff and the efficiency and effectiveness of common system organizations. It was important that staff members should receive periodic appraisals of their performance.

302. Members underlined that, when the performance of staff warranted improvement, staff should receive the necessary training, whether in structured form through training courses and seminars or on-the-job counselling and guidance. Similarly, staff for whom the development of further skills would benefit the organizations as well as themselves should receive the necessary further encouragement through training. Human resources development and planning depended on career development and training. While some organizations may not have found it appropriate to include detailed coverage of career development and training in performance appraisal, all three aspects of personnel management were inextricably linked.

303. With respect to rebuttals, the Commission concluded that it was important to have an independent person or review group to whom staff members could appeal when their performance ratings were less than satisfactory. This should be in addition to the right of rebuttal in instances when staff members believed themselves to be discriminated against or when the proper procedures had not been followed in carrying out the performance appraisal process. The difficulty of a third person or group appraising a staff member with whose performance they were not very familiar was nevertheless also recognized.

304. The Commission noted that the existing performance appraisal form promulgated by the Commission in 1981 had not been found useful by the organizations as a standard for all organizations and that it was no longer under consideration. They

noted that the ICSC secretariat intended to develop a new performance appraisal form as part of the paper that would be presented to the Commission at its twenty-eighth session and that would relate performance appraisal to human resource planning. The Commission emphasized that the proposed model form would serve only as an example of an acceptable form, which organizations could either adopt or adapt to fit their own situations, or they could develop another form on their own initiative.

Recommendations of the Commission

305. The Commission recommended that:

(a) The organizations should take into account the 11 performance appraisal principles and associated guidelines provided in paragraphs 1 to 28 of annex XV to the present report and that they should regularly appraise the performance of all staff members at least up to and including staff at the D-1 level;

(b) The organizations should also take into account the principles and associated guidelines concerning appropriate consequences for different performance levels provided in annex XV to the present report;

(c) Where necessary, the organizations should actively set targets to have their performance appraisal systems consistent with the performance appraisal principles and guidelines as soon as reasonably possible, but in any event no later than 1 July 1992;

(d) The organizations should send their performance appraisal and recognition of merit plans, systems and forms to the ICSC secretariat for appropriate consultations.

C. Training policy: evaluation of training

306. The Commission had before it a document on the evaluation of training deferred from its twenty-fourth session. The document presented some general considerations and outlined four basic approaches to evaluation: (a) reaction, (b) learning, (c) application or implementation, and (d) impact, and pointed out that responsibility for the first two types rested with the trainer and for the remaining two with the manager. Attached to the document was a questionnaire developed by the secretariat on the evaluation of training, which had been formulated in consultation with the organizations of the common system and was circulated to them for reply. At the time of the session most, although not all, of the organizations had provided information to the ICSC secretariat.

Views of the organizations and the staff representatives

307. The Chairman of CCAQ expressed the agreement of the organizations with the general considerations of the document as well as with the four basic approaches to evaluation outlined therein. The organizations also confirmed the reflections related to the issue of the evaluation of training. The Chairman of CCAQ pointed out that executive heads had a problem with respect to training in that they believed in it and supported it, but that the additional financial resources needed to develop training programmes further could not be made available at a time when governing bodies were opposed to any budgetary growth. Allocation of the same

budget allotments biennium after biennium was tantamount to a reduction, since cost increases could not be completely compensated for.

308. FICSA welcomed the document produced by the secretariat and supported its recommendations. At the same time, it felt bound to point out that, in many of the organizations of the common system, training remained extremely inadequate. While legislation in numerous countries required that at least 1 per cent of payroll should be devoted to staff training, some organizations were spending as little as one quarter of that amount. It was FICSA's impression that not much had actually been done to assess training needs, given the absence of resources to satisfy these needs. This was unfortunate, since as a result low budget priority continued to be given to training. In fact, training had an even more important role to play in times of crisis, since in order to implement their programmes the organizations were obliged to make the best possible use of their limited staff resources.

Conclusion of the Commission

309. In view of the importance of staff training, the Commission regretted that this topic had been deferred and progress in this area had therefore been held up. The Commission requested its secretariat to pursue consultations at the regional meetings of the CCAQ Sub-Committee on Staff Training to be held in the autumn of 1987 as well as at the session of the entire Sub-Committee to be held in the spring of 1988. Depending upon the outcome of those deliberations, the Commission would be in a position to consider the training evaluation model at its twenty-eighth session.

D. Mobility of staff in the Professional and higher categories

310. By resolutions 40/244 and 41/207, the General Assembly requested the ICSC to "undertake a study of the mobility of Professional staff in the United Nations common system, including the frequency and average length of their assignments at different duty stations".

311. The Commission's consideration of this item was based upon a document prepared by CCAQ that contained details of the mobility of staff serving in 19 common system organizations and programmes for the period 1980-1985.

Views of the organizations and the staff representatives

312. The Chairman of CCAQ introduced the document, which was based on data collected from a number of common system organizations and programmes covering the years 1980 to 1985. He stressed that, while a certain amount of statistical data was presented in the annexes, the document went beyond a mere statistical presentation to cover aspects of rotation requirements, policy and practice, reassignment and rotation patterns both within and between organizations, the need for and experience with rotation and reassignment policies, obstacles to reassignment and mobility, and measures that could be taken at the common system level to enhance them. The CCAQ Chairman noted that the data did not correspond precisely to the information requested by the General Assembly. In particular, information on average length of assignment at a given location was not easy to collect and could not be obtained from organizations on a systematic basis. He pointed out that the comparator foreign service, which CCAQ requested to provide statistical data on reassignment, responded that this would be an awesome task and

was able to provide only general information on its reassignment policy. Despite certain gaps and the lack of perfect correlation among the organizations reporting on different aspects of mobility, CCAQ believed that the information given provided a statistically valid overview of reassignment patterns in the United Nations system.

313. While on the whole the organization's mobility requirements had considerably increased since its early days, this was not the case in all organizations. Depending on the nature of programmes and activities, mobility might be a vital requirement, a desirable feature or of no direct operational relevance at all in a given organization. Patterns of employment in the international civil service were different from those of any national foreign service. An organization's operational requirements for mobility derived directly from its legislative mandate. An organization whose activities were oriented primarily to the field, such as UNICEF, UNHCR or UNDP, would logically post the majority of its staff in the field. An organization that had only one office, such as IFAD or GATT, would not need and, indeed, could not move its staff from one location to another. Other organizations, such as the United Nations and WHO, had regional structures in addition to headquarters and field offices. Once an organization's structure had developed in response to its mandated activities, that structure determined the degree to which the staff of that agency was mobile. The diversity of mandate and structure set the stage for a variety of policies, practices and attitudes towards staff rotation.

314. At present, six organizations and programmes had formalized rotation plans or policies. However, the existence of a rotation policy did not in and of itself guarantee mobility. The degree of mobility within an organization was influenced by the operational need to move its staff from one location to another, the distribution of staff among different locations and the number of posts subject to rotation. The number of inter-organizational staff movements during the period 1980-1985 was small, approximately 0.5 per cent of Professional staff, and had not increased significantly since the matter was reviewed by the Commission several years ago due to a number of factors described in the report. While the prospects for increased inter-organizational mobility appeared slight under present circumstances, organizations agreed to comply with the provisions of the Inter-Organization Agreement on the Transfer, Secondment and Loan of Staff, which were designed to facilitate such movements. A degree of staff mobility was always an advantage and was a particular asset for staff working in an international setting. However, staff mobility could not be an end in itself. Since organizations' requirements for mobility varied so widely, consideration of the common system as a monolithic entity was clearly meaningless in this context.

315. An examination of experience with reassignment and rotation policies and practices led to the conclusion that there were currently three distinct types of disincentive to mobility in the United Nations system: material disadvantages, career development constraints and problems related to family life. CCAQ concluded that there were three categories of action that could and should be taken at the common system level to encourage and compensate for mobility. They were measures to facilitate the resettling process, measures to improve the compensation package and joint efforts to improve local conditions. The organizations had already moved to address the problem by presenting the Commission at its current session with a specific proposal for the addition of a mobility element to the assignment allowance. CCAQ would examine what other measures could be taken to encourage mobility more adequately in both material and non-material terms.

316. CCAQ stressed the need to distinguish between mobility and expatriation. The staff of the United Nations system were as expatriate as they had ever been, with 90 per cent of staff in the Professional and higher categories serving outside their home country at any given time. Some United Nations staff had never served in their home country in the course of their career. The difference was that they had become more mobile. Expatriation carried with it its own difficulties, irrespective of the length of stay away from the home country; these were compensated through the expatriate element in the margin. The system needed to compensate for mobility.

317. The representative of FICSA welcomed the excellent and comprehensive report. FICSA accepted the conclusions expressed by CCAQ concerning mobility. FICSA believed that mobility should be rewarded and enhanced through appropriate provisions in the remuneration package. As a first step, the assignment allowance should contain an incentive for mobility.

318. The representative of CCISUA associated himself with the statements of CCAQ and FICSA.

Discussion by the Commission

319. The Commission welcomed the report, which provided a significant amount of useful information about the mobility of common system staff. Statistics showing the number of reassignments for the years 1980 to 1985 for common system organizations are provided in annex XVI. The length of service in years at the staff member's present duty station is shown in annex XVII. The Commission also noted the conclusions expressed in the document, which were reiterated by the Chairman of CCAQ in his statement (see para. 316 above).

320. Members noted that there were several different types of mobility. Mobility could occur within an organization from headquarters to and from regional offices and other field locations, between different regional offices and between different field offices. There could also be inter-organizational mobility. The Commission was struck by the wide variances in mobility between organizations. While the Inter-Organization Agreement referred to in paragraph 314 concerning transfer, secondment or loan of staff among the organizations applying the United Nations common system of salaries and allowances did exist, it was designed more to regulate than to promote mobility. It was apparent that more inter-organizational mobility was desirable and could be encouraged in the interest of the organizations and staff. Even within a given organization there were some staff who were quite mobile and others who seemed never to move.

321. The Commission agreed that there had not been sufficient mobility of staff from headquarters to field locations. In this respect the Commission decided to approve a new mobility element in the assignment allowance. Members nevertheless pointed out that there were administrative and other measures to promote mobility to which all organizations should have recourse besides financial incentives. It was, however, appreciated that mobility was also dependent to some extent on the programme objectives of the organization concerned.

322. The Commission concluded that there was a need to review further documentation on mobility with a view to identifying more specifically the problems associated with mobility and determining what further policy options might be required.

Decisions of the Commission

323. The Commission decided to bring the information on staff reassignments in the common system to the attention of the General Assembly and to the legislative organs of other organizations. In view of the importance of mobility within and between organizations and the difficulties highlighted by the organizations in this regard, the Commission requested its secretariat to analyse these problems further for consideration at its twenty-seventh session.

CHAPTER VIII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 15 OF ITS STATUTE

Common staff regulations

324. The Commission considered the question of common staff regulations at its twenty-fifth session, in March 1987, when it approved a preliminary work programme and agreed that the substance of staff regulations and rules should be rendered as uniform as possible. To this end CCAQ agreed to provide the Commission with an updated comparative analysis of the conditions of service as reflected in the staff rules and regulations of the organizations.

325. At its twenty-sixth session (July 1987), the Commission had before it a document by its secretariat that examined the first three regulations of article III of the United Nations Staff Regulations, salaries and related allowances, the education grant and staff assessment, and identified areas where divergencies existed.

Views of the organizations and the staff representatives

326. The Chairman of CCAQ said that the points raised in the ICSC secretariat's document had been reviewed. In this connection, he assured the Commission that the organizations were genuinely interested in the harmonization of their practices and made considerable efforts on an ongoing basis to ensure consistency and uniformity of practice. Since many of the matters raised involved points of detailed personnel and financial administration, having to do with the day-to-day application of entitlements, CCAQ preferred to have time to consult with the persons who actually administered these entitlements before commenting on the feasibility of the proposals by the ICSC secretariat. He therefore requested CCAQ to return to the paper at the twenty-seventh session in March 1988, at which time it would have a full response to all the detailed points raised in the document.

327. The representative of FICSA expressed regret that, owing to the late receipt of the document, it had not been possible to research the points raised, on the basis of the staff rules and regulations of FICSA's member organizations. FICSA would also need to consult its members on the feasibility of any changes. FICSA therefore endorsed the proposal to discuss the item further at the next session.

Discussion by the Commission

328. The Commission regretted that CCAQ had once again proposed postponement of this matter. Many members of the Commission considered that this was an example of the organizations' relative lack of interest in areas where remuneration was not involved. The Commission was of the opinion, given the constraints posed by CCAQ, that it should, in line with resolution 40/250 of 18 December 1985, address this matter expeditiously and attempt to advance as much as possible in this area.

Conclusion of the Commission

329. The Commission decided to note CCAQ's request to postpone the item until the twenty-seventh session. It voiced its concern at the CCAQ position and requested CCAQ to come forward by its next session with substantive recommendations based on the secretariat's proposals and its own views of action required to further harmonize staff regulations at the inter-organizational level.

CHAPTER IX

ACTION TAKEN THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation of the recommendations and decisions of the Commission

330. At its twenty-sixth session, the Commission considered a document on the implementation of its recommendations and decisions proposed by its secretariat. As decided at its twenty-fourth session, the secretariat was requested to report annually on implementation by the organizations, as required by the statute. For their part the organizations would submit detailed information only every three years, while still drawing the Commission's attention to important unresolved issues in the mean time, in particular in the area of personnel policies. Since the secretariat had been requested to report in a general sense, it had requested the organizations to send relevant documents submitted to their governing bodies rather than eliciting information in detail by questionnaire as was done on previous occasions. It had received relevant documents from ILO, FAO, ICAO, WHO, UPU and IMO, while implementation by the United Nations had already been reviewed at the twenty-fifth session under the item dealing with resolutions and decisions of the General Assembly. Other information was also available from WMO and WIPO.

331. Subsequent to the submission of the secretariat's paper, UNESCO had provided relevant documents presented to its Executive Board that showed that it had implemented the new scales of pensionable remuneration, staff assessment, separation payment and the RCF. Staff assessment for the General Service category would be implemented later in 1987 when the salaries were reviewed. The UNESCO documents also indicated that it had submitted and would continue to submit the Commission's annual report to its Executive Board. UNESCO had also drawn the attention of its Executive Board in particular to the Commission's recommendations on recruitment policy and performance appraisal and the recognition of merit. A communication was also received from WMO regarding a resolution of its governing body of special interest to the Commission. UPU had provided information that it had abandoned its policy of long-service steps in 1986 and was now in line with the relevant recommendation of the Commission.

Views of the organizations and the staff representatives

332. The Chairman of CCAQ stated that organizations could agree with the gist of the first recommendation, i.e. in future, they would harmonize their practices with the other organizations in accordance with the dates recommended. The organizations wished to point out, however, that several of them were bound by their regulations to obtain the agreement of their governing body before implementing the recommendations of the Commission. He recalled that it was with this in mind that the Commission had agreed to propose 1 April as the implementation date for its latest recommendation on pensionable remuneration, in order to make it possible for appropriate implementation measures to be decided upon by the different governing bodies. It was therefore suggested that the implementation dates should be recommended by the Commission after consultation with the organizations concerned. The Chairman of CCAQ had been requested by WIPO to inform the Commission that, contrary to what was stated in the document, it had been applying the RCF effective 1 September 1986, in accordance with the Commission's decision. He further stated that recommendation (b), which reiterated

previous recommendations in the area of personnel policy and requested organizations to keep the Commission's secretariat informed on action taken on such recommendations by governing bodies, was certainly acceptable to CCAQ. He noted that the third recommendation was addressed to specific organizations. Lastly, the organizations would certainly continue to send the ICSC secretariat copies of relevant resolutions, decisions and reports on meetings of their legislative bodies.

333. The Commission's attention was also drawn to the following decision of the WMO Executive Council on the implementation of the Commission's recommendations and decisions:

"12.3 The Executive Council also took note of the need expressed by the Commission for its representatives to participate in selected meetings of the session of the Council and requested the Secretary-General to make suitable arrangements to that effect in consultation with the Commission." (Geneva, June 1987)

334. The representative of WHO stated that the executive head of WHO had submitted a proposal to its Executive Board in November 1985 for a change in its policy of long-service steps in accordance with the Commission's recommendations concerned. It was proposed, however, to wait for the decision of the General Assembly on this matter. On 8 January 1986, this item was again before the Executive Board of WHO, and it was informed that the Assembly had not accepted the Commission's recommendation, so that the Director-General considered this no longer to be a common system issue and decided to withdraw his proposal.

335. The representative of ILO stated that it had introduced its policy of long-service steps in 1980 before the Commission addressed this issue. It had submitted the Commission's recommendation of one long-service step to its Governing Body, but the existing system of a maximum of two long-service or merit steps was not considered to be excessive and the Commission's proposal was not endorsed.

336. The representative of UNESCO indicated that his organization did not resort to a generalized usage of linked grades but did apply it to the P-1/P-2 level. UNESCO would give serious consideration to the Commission's recommendation on this issue again.

337. The representative of FICSA observed that the difficulties experienced by ILO and other organizations in respect of the scale of separation payments underlined the need for the Commission to ensure that its recommendations to the General Assembly did not violate legal principles. As regards the long-service step for General Service staff, it was FICSA's understanding that at least one organization (IAEA) had still not implemented this measure. It was surprising that the Commission had simply noted the failure of the United Nations to implement the recommended General Service salary scales. The staff, for their part, had taken the matter to the United Nations Administrative Tribunal.

338. The representative of CCISUA, after noting the postponement by some organizations of the implementation of the recommendations and decisions of the Commission, deplored the fact that recommendations unfavourable to the staff were usually promptly implemented while beneficial ones were delayed. He pointed out the varying delays at the United Nations on the implementation of interim adjustments for General Service salaries and stressed that this category faced further deprivation of its rights. He recalled also that the United Nations

Professional staff had been deprived of its due for several months with respect to the application of the RCF.

339. In response to CCISUA's statement, the representative of the United Nations regretted that it had had to delay the implementation of interim adjustments to the General Service salaries and RCF, but stated that the Secretary-General had had to do this because of the financial crisis.

Discussion by the Commission

340. The Commission considered the presentation grouped under the relevant articles of its statute to be very helpful and the information fairly detailed. Reference was made to recommendation 53 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, which required that the Commission's annual reports on implementation of its recommendations and decisions should be as complete as possible. It was also noted that a number of items, mainly in the field of personnel policies, would be dealt with separately in other parts of the annual report; these would include the following: "Implementation of the Master Standard"; "Progress made since the twenty-fourth session in undertaking special measures for the recruitment of women"; and "Performance appraisal and the recognition of merit". The Commission was informed that UNHCR applied the staff regulations and rules of the United Nations, so that no separate action was necessary on its part.

341. Apart from slight differences in dates of implementation and delays in implementation, although with retroactive effect, caused by the timing of meetings of legislative organs, the sections of the resolution of the General Assembly pertaining to recommendations of the Commission under article 10 of its statute were implemented consistently throughout the common system. With regard to the decisions of the Commission under article 11 of its statute, the Commission noted that WIPO and FAO were still deviating in their implementation of the RCF. The Director-General of WIPO had, however, informed the Commission that he would bring the Commission's decisions on the effect of currency fluctuations on take-home pay to the attention of the governing bodies of WIPO in September 1987.

342. The recommendations of the Commission under article 12 of its statute concerning the General Service salary scales at headquarters duty stations were normally implemented consistently by the organizations. The United Nations had, however, delayed the implementation of interim cost-of-living adjustments because of the financial crisis. The Commission considered that the United Nations should make every effort to harmonize the effective dates of implementation with the other organizations at duty stations concerned. It was noted that the Commission's decisions on job classification standards were generally implemented by the organizations. The implementation of the Commission's recommendations on personnel policies under article 14 of its statute was somewhat disappointing. The Commission noted with satisfaction the considerable efforts WHO had made to improve the recruitment and status of women in that organization.

343. Some unresolved issues, such as long-service steps in ILO and WHO as well as linked grades in UNDP, UNESCO and WIPO, were brought to the attention of the Commission. The Chairman of CCAQ stated that, at the time the Commission had made its recommendations on personnel policies such as human resources planning, some organizations had expressed reservations. Recommendations were not strictly

binding in contrast to decisions of the Commission and were therefore implemented to a lesser extent by the organizations. The representative of ILO stated that ILO fully accepted the human resources planning principles but it could only implement them when in possession of a fully integrated computerized personnel system, the installation of which had been deferred by its Governing Body for budgetary reasons.

Conclusions and recommendations of the Commission

344. The Commission decided:

(a) To express appreciation to the executive heads for drawing to its attention action taken by their governing bodies;

(b) To request those organizations that had deviated in the implementation of recommendations in respect of effective dates to harmonize their practices in future with the other organizations in accordance with the dates recommended;

(c) To request the United Nations to harmonize with other organizations concerned the effective dates of implementation of interim cost-of-living adjustments for the General Service category at the same duty stations;

(d) To reiterate its recommendations in the area of personnel policies, particularly with respect to recruitment policy, and to request organizations to make every effort to implement them and, when taking such action, to inform the ICSC secretariat in time to enable it to report to the Commission at the session following the date of approval by legislative organs of executive heads;

(e) To reiterate its recommendations to the United Nations, ILO and WHO on long-service steps, that one additional step be introduced into the salary scales for long service at the levels P-1 to P-5, 24/ and to UNDP, UNESCO and WIPO on linked grades made in its eighth annual report 25/ and request these organizations to report to the Commission on these issues at its twenty-seventh session;

(f) To request organizations that have not yet done so to send to the ICSC secretariat copies of relevant resolutions, decisions and reports or meetings of legislative bodies.

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 18 OF ITS STATUTE

Security and independence of the international civil service

345. At its twenty-sixth session, the Commission had before it a note, prepared by CCISUA, that addressed the problem of the arbitrary arrest and detention of United Nations staff members at duty stations around the world and contained proposals as to how organizations should react in such cases.

Views of the organizations and the staff representatives

346. The Chairman of CCAQ recalled that this was a subject to which the executive heads attached the utmost importance. It was an issue, moreover, that was under permanent surveillance by the General Assembly in accordance with the procedures established by resolution 36/232 of 18 December 1981. The Commission might therefore wish to reflect as to whether it wanted to tackle this subject, which went beyond the question of the security of staff and touched on matters concerning the relations of organizations with Member States. ACC and the executive heads had repeatedly emphasized that it was absolutely essential for the Convention on Privileges and Immunities of the United Nations to be respected. Many of the matters raised in the CCISUA paper were under active review and would be further studied at the forthcoming inter-agency meeting on security matters.

347. FICSA was just as concerned about defending the security and independence of international civil servants as it was about other conditions of service. By virtue of article 10 (a) of its statute, the Commission should make recommendations on this subject to the General Assembly and report on the most flagrant violations of these principles. As a body of independent experts, the Commission was in a good position to remind Member States of their responsibilities. It might also make recommendations to the organizations regarding measures to be taken against Member States that violated their legal obligations. FICSA for its part had recently asked ACC to suspend the recruitment of Romanian nationals until such time as Mr. Liviu Bota was permitted to return to his post as an international civil servant. FICSA was also very concerned about the family of Mr. Eugene Soloviev, a staff member from UNESCO. It was regrettable that the United Nations, in spite of its great efforts to protect human rights, was sometimes impotent to protect those of its own officials.

348. The representative of CCISUA stated that she was convinced that the Commission could play an important role in promoting a systematic and co-ordinated effort to ensure that staff members throughout the common system received the full protection of international law. CCISUA's concerns in this area had been presented in detail in its document, but CCISUA wished to reiterate two points of particular concern. One was the need for a comprehensive, standardized format for maintaining and transmitting information on cases of illegal detention and violation of staff members' rights. The other was the need for an institutionalized response that was firm, swift and well publicized, so that each Member State could be more aware that gross violations of the rights of international civil servants would provoke certain consequences from all common system agencies operating at that duty station. She stated further that when staff members went on mission or on leave near the end of a contractual period, they were particularly vulnerable to

violations of the type discussed above. If they were detained, their contracts could lapse, calling into question their status as international civil servants. A uniform policy should be articulated to provide for the automatic extension of a staff member's contract as long as a case of questionable arrest, detention or disappearance was pending. CCISUA's views on this matter should not, however, be construed as a criticism of the work of the existing committees dealing with this problem.

Discussion by the Commission

349. The Commission noted the action already taken by the General Assembly and the initiatives undertaken by the Secretary-General and other executive heads to settle difficult cases. Several members of the Commission drew attention to the fact that the independence and security of the international civil service was very important but also involved highly sensitive and complex issues. It was noted that this issue fell within the jurisdiction of the Commission but had not been addressed by it before. However, before any conclusions could be drawn the necessary data should be collected and the facts carefully studied. Some members of the Commission expressed doubt and scepticism regarding any practical action the Commission might envisage. One member considered that the Commission's review should focus more on the moral dimension rather than on practical actions that might be difficult to conceive and implement in the context of the sovereignty of Member States. The Commission emphasized the fact that any paper prepared by the secretariat on this subject should be based on carefully checked evidence and facts. Its secretariat should closely consult on these matters with organizations concerned and the United Nations Office of Legal Affairs.

Decisions of the Commission

350. The Commission decided to request its secretariat to carry out a study of the security and independence of the international civil service and to report to it at its twenty-eighth session.

CHAPTER XI

ACTION TAKEN UNDER ARTICLE 29 OF ITS STATUTE

Review of rules 17, 30, 32, 33, 36 and 37 of the rules of procedure of the Commission

351. The Commission considered a document prepared by its secretariat on the review of rules 17, 30, 32, 33, 36 and 37 of its rules of procedure. This review was called for following United Nations Administrative Tribunal Judgement No. 370 (AT/DEC/370) concerning the suspension of the class 12 post adjustment index in New York as at 1 December 1984 and the question of a general or ad hoc time-limit, which had arisen in connection with the implementation of the remuneration correction factor by the United Nations in 1986. These issues involved the annotations to rules 32 and 33 respectively. In this connection, the ICSC secretariat reviewed all rules with annotations and submitted amendments to these rules and annotations to the Commission for its consideration.

Views of the organizations and the staff representatives

352. CCAQ had no problems with the proposals made by the ICSC secretariat in the ICSC document concerning rules 17, 30, 32, 36 and 37. Concerning rule 33, paragraph 1, CCAQ agreed that the interpretation contained in the annotation should be incorporated in the rule itself. If the views of the executive heads were sought on the financial and administrative implications of a substantive determination, the time-limit for the receipt of responses concerning each such request should be determined after due consideration of the amount of additional work that would be required by the organization concerned. CCAQ suggested that the additional sentence read: "Each such request shall specify an appropriate time-limit for the receipt of responses" - in other words, that the word "appropriate" be added. Since CCISUA had met, for the past few years, the criteria for staff participation set by the Commission in 1983, CCAQ agreed that reference should be made to it in the appropriate rules.

Discussion by the Commission

353. Concerning rule 32, members of the Commission questioned why the Commission had decided, when it drew up its statute, not to utilize, for the time being, the provision regarding voting without a meeting. It was understood that the reason for that annotation was that the Commission would normally take decisions by consensus after an interchange of views among all participants whereas voting by communication would make that impossible. The Chairman clarified that rule 32 should be used with caution and recalled that it had been applied only on three occasions. When it had been used in connection with the suspension of class 12 post adjustment index in New York, the procedure had not been strictly followed - an element that was important in the deliberations of the United Nations Administrative Tribunal. Regarding the annotation to rule 37, the Commission noted that the second part of the last sentence could be deleted since the Commission was empowered to amend its rules of procedure under rule 39. The secretariat confirmed that the amendments to rules 5, 6, 8, 22, 36 and 37 to reflect the participation of CCISUA would place CCISUA on the same footing as FICSA under rule 37, paragraph 1. Following the suggestion of CCAQ, the Commission decided to include the notion of an appropriate time-limit in the last sentence of rule 33.

Conclusions of the Commission

354. The Commission decided:

- (a) To maintain rule 17 and its annotation as they stood;
- (b) To retain the principle of eight affirmative votes under rule 30, paragraph 2, and to delete the annotation to rule 30;
- (c) To delete the annotation to rule 32;
- (d) To apply an appropriate time-limit in each future case and to include reference to that in rule 33, while deleting the annotation to that rule;
- (e) To amend rules 5, 6, 8, 22, 36 and 37 to reflect the participation of CCISUA and to amend the annotations to rules 36 and 37 by removing the references to review or revision in the light of experience.

355. The Commission's revised rules of procedure would be issued together with its statute under the symbol ICSC/1/Rev.1.

Notes

- 1/ ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMCO (now IMO), WIPO and IAEA.
- 2/ GATT and IFAD.
- 3/ Official Records of the General Assembly, Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2).
- 4/ Ibid., Supplement No. 49 (A/41/49).
- 5/ Ibid., Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), para. 263, and ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), paras. 219 and 220.
- 6/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), annex I, appendix II, paras. 61-67.
- 7/ Ibid., para. 17, and ibid., Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), paras. 239 and 240.
- 8/ Ibid., Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2), paras. 150-152.
- 9/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), annex I, appendix II, para. 67.
- 10/ Ibid., paras. 102-107, and ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), para. 226.
- 11/ Ibid., Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), paras. 245-247.

12/ Ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), paras. 222 and 223.

13/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30 and Add.1), paras. 279-293; *ibid.*, Thirty-third Session, Supplement No. 30 (A/33/30 and Add.1), paras. 224-234; *ibid.*, Thirty-seventh Session, Supplement No. 30 (A/37/30), paras. 197 and 198; and *ibid.*, Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), para. 191.

14/ Ibid., para. 263, and *ibid.*, Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), paras. 215 and 218.

15/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), annex I, appendix II, para. 17, and *ibid.*, Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), paras. 239 and 240.

16/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), annex I, appendix II, para. 67.

17/ Ibid., paras. 102-107, and *ibid.*, Thirty-ninth Session, Supplement No. 30 (A/39/30 and Corr.1 and 2), para. 226.

18/ Ibid., paras. 222 and 223.

19/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30 and Add.1), para. 167.

20/ Ibid. Forty-first Session, Supplement No. 49 (A/41/49), chap. IV, sect. C.

21/ Ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30 and Corr.1), para. 256.

22/ These duty stations include Albania, Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, France, the Federal Republic of Germany, Greece, Hungary, Iceland, Italy, the Netherlands, Poland, Portugal, Romania, Spain, Sweden, Switzerland, the USSR, the United Kingdom and Yugoslavia.

23/ Official Records of the General Assembly, Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2), paras. 125-127.

24/ Ibid., Supplement No. 30 (A/39/30 and Corr.1 and 2), paras. 188-198, and *ibid.*, Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), paras. 165 and 166.

25/ Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), annex I, appendix II, paras. 26-36.

ANNEX I

Decision of the ILO Governing Body at its 235th session
(Geneva, March 1987): Staff pensions

The Governing Body,

Concerned at the situation that has developed regarding the pension systems of ILO staff;

Draws the attention of the United Nations General Assembly, the International Civil Service Commission and other competent bodies to the constitutional responsibility of the ILO regarding social questions in general, and social security in particular, with respect to all workers throughout the world, not excluding international civil servants;

Requests that the technical competence of the International Labour Office and of the constituents of the International Labour Organisation, including employers' and workers' organizations, be taken into account and utilized.

ANNEX II

Resolutions of the Administrative Council of ITU
(Geneva, June 1987)

A. Resolution 963: United Joint Staff Pension Fund: Study of measures required for the adjustment of pensions

The Administrative Council,

Considering the objectives previously established by the ITU Staff Pension Committee contained in the report submitted by the Administrative Council to the Plenipotentiary Conference (Nairobi, 1982) concerning the level of pensions;

Noting that, despite the concern it expressed in 1985 in Resolution No. 937 (CA40) concerning decisions of the General Assembly which entailed a significant reduction in pension benefits, further unfavourable decisions were taken at the forty-first session of the United Nations General Assembly;

Noting also that, in its Resolution No. 932, the fortieth session of the Administrative Council drew the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission to its anxiety regarding the level of benefits and the future of the Fund;

Noting further that the report by the Secretary-General (Document CA42/6634), requested by Administrative Council Resolution No. 956 (CA41), reports:

(a) A further deterioration in the benefits of the UNJSPF which will affect the level of pensions for staff in the Professional category and above as a result of the decisions taken by the forty-first session of the United Nations General Assembly;

(b) The grave concern of the staff in these same categories as a result of the continuing depreciation of the dollar which will be affecting Union staff members retiring in the next few years in countries with strong currencies in relation to the United States currency;

Instructs the Secretary-General to study and submit to the forty-third session of the Administrative Council proposals for appropriate action to be taken by the Council in accordance with Resolution No. 61 of the Plenipotentiary Conference (Nairobi, 1982) having regard to evolution in the common system.

B. Resolution 971: Conditions of service

The Administrative Council,

Having noted the decisions adopted by the United Nations General Assembly at its forty-first session on conditions of service in the United Nations common system as well as the requests for further studies which the ICSC was to conduct;

Having noted further the reports thereon by the Secretary-General and the address by the Chairman of the ITU Staff Council and in particular the uncertainty felt by Professional staff as a result of the decline in the value of net remuneration in recent years and the deterioration of pension benefits;

Concerned by the situation for the functioning of the Union and in particular by management difficulties due to the number of premature retirements of senior key staff members as a consequence of the continued erosion of their pension benefits;

Recognizing the need to maintain the level of remuneration sufficient to attract, recruit and retain qualified staff in conformity with No. 104 of the International Telecommunication Convention and conscious of the need to continue to contain administrative and personnel costs;

Considering that the success of the Union and the achievement of its goals depend to a significant extent on the staff and their motivation;

Reaffirming that sound personnel management policies require a system in which levels of remuneration do not fluctuate significantly and in an unpredictable manner, in which increased responsibilities, upon promotion, are recompensed and in which longer service is duly reflected in pension benefits;

Reaffirming also the Union's participation in the United Nations common system;

Invites Members of the ITU to draw the attention of the representatives of their respective Governments in the United Nations General Assembly to the deterioration of the conditions of service in Geneva in order that decisions of that Assembly take due account of the genuine needs of the staff in agencies outside New York;

Instructs the Secretary-General to continue to study this problem; to propose steps which could protect the Union's interest in offering Union staff conditions of service appropriate to effectively meeting the objectives of the Union as envisaged in the Convention and corresponding to their legitimate expectations and to the services rendered; and to take action in the competent bodies of the United Nations common system, namely the ICSC and the UNJSPF in order that remedial steps to the present situation are found and put into force as early as possible;

Further instructs the Secretary-General to report to the Council at its next session on this matter and on the progress achieved.

ANNEX III

Summary of work of the Tenth World Meteorological Congress: Conditions of service in the common system (Geneva, May 1987)

9.4.12. Congress considered it important that staff had been accorded the opportunity to present their views to Congress and expressed its appreciation and recognition for their continuing devotion, and pointed out that the success of the Organization and achievement of its goals depend to a significant extent on the staff and their satisfactory treatment.

9.4.13. Congress expressed its concern at the distress and uncertainty currently being felt by Professional staff as a result of the decline in the value of net remuneration in recent years and recognized the importance of ensuring that the WMO is able to offer stable levels of remuneration and an adequate pension scheme sufficient to recruit and maintain adequately qualified staff.

9.4.14. While acknowledging the need to contain administrative and personnel costs and reaffirming its commitment to the United Nations common system, Congress expressed the view that the terms of employment in the common system should take into account the genuine needs of staff in agencies outside New York.

9.4.15. Congress requested the Secretary-General of WMO to draw the attention of the appropriate bodies of the common system to these views and to continue his involvement with the organs of the common system with a view to meeting the objectives noted in paragraphs 9.4.12, 9.4.13 and 9.4.14 above.

ANNEX IV

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 using 1986 tax rates a/

(October 1986 September 1987,
(Margin as at June 1987)

<u>United Nations, New York</u>		<u>United States, Washington, D.C.</u>		Weights	Weighted net remuneration	United Nations/United States ratio adjusted for cost of living (United States, Washington = 100)	Weights for calculation of overall ratio d/
Grade	Net remuneration b/	Grade	Net remuneration per grade c/				
P-1/1	24 805	GS 9/1	19 384	100	19 384	120.6	2.8
P-2/1	31 281	GS 11/1	23 243	62	24 817	118.8	13.5
		GS 12/1	27 394	38			
P-3/1	37 653	GS 12/1	27 384	45	30 119	117.8	23.1
		GS 13/1	32 356	55			
P-4/1	44 938	GS 13/1	32 356	33	35 765	118.4	28.6
		GS 14/1	37 444	67			
P-5/1	53 984	GS 15/1	42 887	92	43 961	115.7	21.5
		SES 2	53 656				
		SES 4	57 519	8			
D-1/1	59 414	GS 16/1	49 353	6	56 368	99.3	7.8
		SES 1	51 724	13			
		SES 4	57 519	75			
		SES 5	59 656	6			
D-2/1	66 893	GS 17/1 e/	55 347	7	57 763	109.2	2.7
		GS 18/1 e/	55 347	9			
		SES 4	57 519	50			
		SES 5	59 656	29			
		SES 6	63 425	5			
Cost-of-living ratio New York/Washington, D.C.: 106.1							
Weighted average ratio, adjusted for cost of living: 116.0 (margin)							

a/ Based on estimated tax data for 1986 for all the United States.

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

c/ Based on published salary rates effective 1 January 1985 and 1 January 1987 for three months and nine months respectively (including bonuses and special award where applicable).

d/ 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 1986.

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

ANNEX V

Information regarding the level of remuneration in New York
and other major headquarters duty stations

1. Two members were of the view that in the context of the Commission's consideration of the net remuneration margin methodology, information regarding the levels of remuneration (net base salary plus or minus post adjustment, as appropriate) at selected grade levels for New York and some of the major headquarters duty stations should be provided to the General Assembly. In this regard they were of the view that the following information would be useful to the General Assembly:

TABLE 1. NET REMUNERATION OF UNITED NATIONS OFFICIALS IN NEW YORK,
GENEVA, PARIS, ROME AND VIENNA AT SELECTED GRADES

(In United States dollars)

Grade	Salary <u>a/</u>	New York (for 1988)	as at 1 July 1987			
			Geneva	Paris	Rome	Vienna
P-1/VI	Base salary	21 047	21 047	21 047	21 047	21 047
	Post adjustment	8 955	20 969	11 455	8 880	14 179
	Total	30 002	42 016	32 502	29 927	35 226
P-4/VI	Base salary	36 602	36 602	36 602	36 602	36 602
	Post adjustment	15 265	35 745	19 526	15 138	24 170
	Total	51 867	72 347	56 128	51 740	60 772
D-2/I	Base salary	49 406	49 406	49 406	49 406	49 406
	Post adjustment	19 527	45 725	24 978	19 364	30 918
	Total	68 933	95 131	74 384	68 770	80 324
USG	Base salary	64 535	64 535	64 535	64 535	64 535
	Post adjustment	25 545	59 818	32 676	25 332	40 446
	Total	90 080	124 353	97 211	89 867	104 981

a/ Net base salary and post adjustment for staff members with a primary dependant.

2. In table 1 above the net remuneration amounts shown under the column for New York would be those that would be paid following the granting of the next class of post adjustment in New York in 1988. The net remuneration amounts shown under columns for Geneva, Paris, Rome and Vienna are those that were applicable as at 1 July 1987. On the basis of the information currently on hand the next post adjustment class would most likely become applicable some time in 1988 in Rome and Paris. However, no increase in post adjustment for Geneva and Vienna was anticipated for 1988, irrespective of whether the current methodology was used for

the determination of the United States/United Nations net remuneration margin or whether the revised methodology, as recommended by the Commission in paragraph 83 of the report, was used following its approval by the General Assembly.

3. Several other members, on the other hand, were of the view that providing the information in table 1 above to the General Assembly in the context of the net remuneration margin calculation methodology would be unnecessary, inappropriate and misleading for the reasons outlined below.

4. United Nations/United States net remuneration margin calculations were carried out on the basis of the current methodology approved by the General Assembly, by comparing net remuneration amounts of United Nations officials at various grades in New York with those applicable to United States federal civil service employees at comparable grades in Washington, D.C. Providing comparable net remuneration amounts for other duty stations had never been part of this methodology. Consequently, if information with respect to the net remuneration of United Nations officials was to be provided to the General Assembly then it would suffice to show these amounts only for officials assigned to New York. Inasmuch as this information was already submitted to the General Assembly each year as part of the Commission's report on the evolution of the margin (see annex IV), there was no reason to repeat the information once again.

5. If information with regard to the net remuneration applicable to United Nations officials was to be shown then it should not be shown selectively for only four or five duty stations. All duty stations, including those where the net remuneration of United Nations officials was lower than that applicable at the base of the system, New York, should also be included. As at July 1987 there were some 120 such duty stations.

6. The basic purpose of the post adjustment system was to equalize the purchasing power of remuneration amounts applicable in New York and all other duty stations. Generally, it met this goal reasonably well. In this process of equalization of purchasing power the relative rate of inflation between New York and the given duty station was one of the elements that is taken into account. However, the rate of exchange of the country vis-à-vis the United States dollar, which was an equally important element, was also taken into account. Consequently, the amounts in United States dollar terms required to be paid as net remuneration in a given country would vary considerably depending on the rate of exchange applicable at a given point in time. The July 1987 net remuneration amounts shown for Geneva, Paris, Rome and Vienna in table 1 show the amounts in United States dollars required as at the rates of exchange applicable in July 1987 in the four countries in question. Had the United States dollar been stronger, the dollar amounts required to equalize purchasing power in these four countries would have been substantially lower. On the other hand, if the United States dollar weakened further, the amounts required in dollar terms would increase substantially. This point can be illustrated by referring to the information in table 2, which shows net remuneration amounts in United States dollars applicable in New York, Geneva and Vienna as at 1 July 1985, 1986 and 1987.

TABLE 2. NET REMUNERATION AMOUNTS a/ AS AT JULY 1985, 1986 AND 1987 IN NEW YORK, GENEVA AND VIENNA b/

Grade	New York			Geneva			Vienna						
	July 1985 to July 1987 \$US	July 1985 SwF	July 1986 \$US	July 1986 SwF	July 1987 \$US	July 1987 SwF	July 1985 \$US	July 1985 S	July 1986 \$US	July 1986 S	July 1987 \$US	July 1987 S	
P-2/VI	29 069	26 830	68 417	35 039	63 421	42 016	63 444	24 219	527 975	29 816	462 149	35 226	450 893
P-4/VI	50 277	46 460	118 473	60 453	109 420	72 347	109 249	42 008	915 775	51 549	799 010	60 772	777 882
D-2/I	66 899	62 017	158 143	79 916	144 648	95 131	143 648	56 322	1 227 820	66 526	1 062 153	80 324	1 028 147
USG	87 419	81 053	206 634	104 449	189 052	124 353	187 924	73 582	1 604 088	89 548	1 387 995	104 981	1 343 757

a/ Net base salary plus post adjustment for staff members with a primary dependant.

b/ Figures for Geneva and Vienna are provided here as examples. Similar figures leading to the same conclusions can be provided for other duty stations.

7. In view of the current freeze on the post adjustment in New York and the need to equalize purchasing power between New York, on the one hand, and Geneva and Vienna on the other, increases due to inflation had not been granted in these two duty stations since the freeze was applied in New York. Consequently, the changes in the net remuneration amounts in dollars in these two duty stations between December 1984 (the date of the application of the freeze in New York) and July 1987 had been the result of currency fluctuations. In view of the continued weakening of the United States dollar in July 1985 and July 1987 it had been essential to increase the net remuneration amounts in United States dollars in order to ensure that the local currency amounts paid to the staff members at these two duty stations remained unchanged, grosso modo. As a matter of fact, in view of the weakening of the dollar over the last two years and the built-in regressivity of the post adjustment system, the net remuneration amounts in local currency received by United Nations officials at these two duty stations had gone down considerably since July 1985. This phenomenon can also be observed from the information provided in table 2.

8. In view of these considerations, these members were of the view that to provide net remuneration amounts in United States dollars at the four duty stations besides New York listed under table 1 at the rate of exchange applicable in July 1987 would create the erroneous impression that staff members at these duty stations received remuneration that was substantially higher than that applicable in New York. On the other hand, if similar information using the rate of exchange in effect as at July 1985 had been provided it could very well have created a contrary, but nevertheless equally erroneous, impression that the remuneration of United Nations officials at these duty stations was substantially lower than that of their counterparts working in New York.

9. Further, if a complete picture of the entire situation were to be provided to the General Assembly along with the net remuneration amounts applicable to United Nations officials in either some or all duty stations, similar amounts applicable to United States federal civil service employees in the same locations should also be provided. Such an approach would put the matter in proper perspective inasmuch as not only the relative levels of remuneration applicable in the United Nations system at New York, the base of the United Nations system, and other duty stations would be provided but the corresponding amounts applicable to United States federal civil service employees in Washington, D.C., the base of the United States federal civil service, and other duty stations would also be made available. This approach is reflected in table 3.

TABLE 3. COMPARISON OF UNITED STATES/UNITED NATIONS NET
 REMUNERATION AT SELECTED HEADQUARTERS DUTY
 STATIONS BASED ON GRADE P-4/VI (UNITED NATIONS)
 AND GS 14/6 (UNITED STATES) AS AT 1 APRIL 1987

(In United States dollars)

	<u>United States</u>	<u>United Nations</u>	<u>Margin (b/a)</u>
	(a)	(b)	(c)
Geneva	77 418	72 347	0.93
Paris	66 408	56 128	0.85
Rome	61 038	51 740	0.85
Vienna	65 373	60 772	0.93

10. As noted in table 3, the net remuneration of United Nations officials (net base salary plus post adjustment) was lower than that applicable to United States officials in equivalent positions (consisting of net base salary, post allowance and housing allowance) at each of these duty stations. In these duty stations the margin is in favour of United States officials by 7 per cent at Geneva and Vienna and by 15 per cent in Paris and Rome. This shows very clearly the inadequacy of the present net remuneration comparison and demonstrates that only when all duty stations are taken into account, can a true comparison be made.

Staff assessment rates for the Professional and higher categories

	Staff assessment rates for purposes of pensionable remuneration and pensions (effective 1 April 1987) (\$)	Staff assessment rates used in conjunction with gross base salaries and the gross amounts of separation payments (effective 1 April 1988) (\$)	Staff member with a dependent spouse or a dependent child (effective 1 April 1988) (\$)	Staff member with neither a dependent spouse nor a dependent child (effective 1 April 1988) (\$)
Total assessable payments (United States dollars)				
First \$15 000 per year	10.0	13.0	18.0	
Next \$5 000 per year	25.0	31.0	34.6	
Next \$5 000 per year	26.0	34.0	38.9	
Next \$5 000 per year	30.0	37.0	42.2	
Next \$5 000 per year	32.0	39.0	44.2	
Next \$10 000 per year	34.0	41.0	46.6	
Next \$10 000 per year	36.0	43.0	48.7	
Next \$10 000 per year	38.0	45.0	50.6	
Next \$15 000 per year	40.0	46.0	51.5	
Next \$20 000 per year	42.0	47.0	54.3	
Remaining assessable payments	44.0	48.0	59.2	

ANNEX VII

Salary scales for the Professional and higher categories showing annual gross salaries and net equivalents (after application of staff assessment rates used in conjunction with gross base salaries and the gross amounts of separation payments)

(In United States dollars)

(Effective 1 April 1988,

Steps

Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Under-Secretary-General												
USG Gross	105 259											
Net D	64 535											
Net S	58 270											
Assistant Secretary-General												
ASG Gross	95 100											
Net D	59 203											
Net S	53 891											
Director												
D-2 Gross	76 677	78 594	80 541	82 550								
Net D	49 406	50 441	51 487	52 552								
Net S	45 376	46 308	47 237	48 155								
Principal Officer												
P-1 Gross	65 608	67 505	69 319	71 144	72 950	74 749	76 457					
Net D	45 461	44 453	45 432	46 417	47 393	48 354	49 287					
Net S	40 039	40 930	41 809	42 694	43 571	44 434	45 272					
Senior Officer												
P-5 Gross	58 074	59 567	61 044	62 430	63 856	65 266	66 705	68 135	69 575	71 000		
Net D	39 290	40 112	40 912	41 687	42 472	43 244	44 021	44 793	45 571	46 340		
Net S	36 293	37 031	37 749	38 445	39 151	39 844	40 542	41 235	41 934	42 625		
First Officer												
P-4 Gross	46 236	47 647	49 060	50 480	51 894	53 249	54 594	55 976	57 443	58 929	60 361	61 741
Net D	34 605	33 409	34 215	35 014	35 830	36 602	37 369	38 137	38 944	39 761	40 549	41 308
Net S	30 279	31 003	31 740	32 440	33 162	33 877	34 567	35 257	35 982	36 716	37 423	38 100
Second Officer												
P-3 Gross	37 193	38 503	39 760	41 027	42 303	43 605	44 903	46 217	47 419	48 601	49 764	50 984
Net D	27 294	28 067	28 822	29 550	30 309	31 077	31 843	32 594	33 279	33 953	34 637	35 310
Net S	25 470	26 176	26 859	27 523	28 205	28 900	29 593	30 269	30 886	31 494	32 108	32 714
Associate Officer												
P-2 Gross	29 563	30 611	31 660	32 722	33 785	34 840	35 937	37 022	38 116	39 215	40 294	
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	21 262	21 856	22 445	23 033	23 627	24 216	24 805	25 385	25 970	26 556	27 132	
Assistant Officer												
P-1 Gross	22 175	23 116	24 072	24 999	25 990	26 979	27 990	28 950	29 893	30 832		
Net D	17 930	18 557	19 187	19 800	20 424	21 047	21 664	22 289	22 883	23 458		
Net S	16 899	17 474	18 057	18 624	19 197	19 769	20 353	20 908	21 453	21 979		

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 VIII

Separation payments for the Professional and higher categories (computation of annual leave, repatriation grant, death grant and termination indemnities)
Gross amounts and net equivalents after application of staff assessment rates used in conjunction with gross base salaries and the gross amounts of separation payments

(In United States dollars,
 (Effective 1 April 1988)

Level	Steps												
	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	
Under-Secretary-General													
USG Gross	104 340												
Net D	64 356												
Net S	57 982												
Assistant Secretary-General													
ASG Gross	94 481												
Net D	58 875												
Net S	53 629												
Director													
D-2 Gross	76 301	80 256	82 275										
Net D	50 263	51 336	52 406										
Net S	46 166	47 107	48 030										
Principal Officer													
P-1 Gross	67 005	68 862	70 712	74 577	74 398	76 157							
Net D	44 182	45 185	46 185	47 192	48 175	49 125							
Net S	40 667	41 586	42 465	43 390	44 275	45 126							
Senior Officer													
S-3 Gross	59 063	60 536	61 962	63 387	64 816	66 255	67 711	69 157	70 600				
Net D	39 003	40 646	41 429	42 223	42 999	43 778	44 555	45 345	46 124				
Net S	36 035	37 511	38 214	38 926	39 624	40 344	41 055	41 731	42 431				
Staff Officer													
S-4 Gross	46 157	47 577	49 044	50 264	51 920	54 300	56 334	57 065	58 500	59 898	61 247		
Net D	34 560	34 237	34 901	35 565	36 451	37 201	37 949	38 736	39 525	40 294	41 036		
Net S	30 229	31 009	31 345	32 036	32 741	33 416	34 066	35 795	36 504	37 195	37 861		
Second Officer													
S-2 Gross	37 344	38 620	40 105	42 393	43 644	44 954	46 149	47 350	48 500	49 635	50 756	51 905	
Net D	27 393	28 135	29 602	30 362	31 100	31 842	32 555	33 240	33 895	34 542	35 181	35 836	
Net S	25 557	26 233	27 565	28 253	28 921	29 553	30 234	30 851	31 441	32 023	32 598	33 167	
Associate Officer													
A-2 Gross	29 731	31 006	32 929	33 959	34 996	36 094	37 184	38 252	39 308	40 357			
Net D	24 734	24 090	24 737	25 365	25 995	26 646	27 289	27 919	28 542	29 161			
Net S	21 363	21 959	22 149	22 744	23 303	24 339	25 471	26 042	26 605	27 166			
Assistant Officer													
A-1 Gross	22 363	24 343	25 195	26 187	27 176	28 176	29 120	30 070	31 024				
Net D	18 075	19 316	19 923	20 546	21 171	21 801	22 396	22 993	23 575				
Net S	17 040	18 175	18 758	19 311	19 864	20 461	21 006	21 554	22 086				

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 IX

Letter dated 11 May 1987 from the Chairman of the Commission to the executive heads of the organizations of the United Nations system on the question of supplementary payments

I am writing to you on the issue of supplementary payments by certain Member States to their nationals while employed by a common system organization. Following comments made by FICSA at its twenty-fifth session (March 1987), the Commission requested its secretariat to collect information on supplementary payments for its consideration at the twenty-sixth session.

In this connection, directors of personnel and administration of participating organizations have already been requested by the ICSC secretariat, on 30 April 1987, to provide information on supplementary payments made by any Government or other party outside the administration of your organization to staff in your organization, whether this be a periodic cash supplement, assistance with rent, transportation or in any other form. However, some initial responses by some organizations to the Executive Secretary have indicated that no such information was readily available.

This matter was reviewed by the Commission in 1980, 1981 and 1982 and was recorded in its sixth, seventh and eighth annual reports (A/35/30, paras. 115-123; A/36/30, paras. 85-94 and annexes V and VI; and A/37/30, paras. 119-124). The General Assembly's action was reflected in resolutions 36/233, section III, paragraph 2 (f), and 37/126, section II, paragraph 2. In those reports, it was noted that the United States of America, the Federal Republic of Germany and Japan had arrangements for supplementary payments to their nationals working for United Nations system organizations.

It has been brought to my attention informally that other Governments, in addition to the three Member States mentioned above, might assist their nationals either on an individual basis or as a more general practice. I am, therefore, writing to you to draw your attention to the Commission's serious concern about such payments with the request that information be elicited on an individual basis by questionnaire or other appropriate means from staff in the Professional and higher categories including senior staff seconded from Governments.

In previous reviews of supplementary payments, the opposite situation was also raised, namely deductions made from the remuneration of staff by some Governments. Although this puts a different complexion on the matter, it has a bearing on the issue of the independence of the international civil service. I should, therefore, be grateful if you could inform us of any arrangements made between your organization and any Governments in this regard and also if you would find out whether any of your staff have such commitments regarding deductions with their Governments.

At the Commission's twenty-fifth session, it was also mentioned that, in the case of one organization, some Member States were currently providing staff on the basis of reimbursable loans because the organization was not able to meet the levels of remuneration of staff from certain government organizations while working abroad. I would appreciate very much if you could also provide statistics on the

numbers of staff on reimbursable loans and identify the government organization concerned.

I would be grateful if this information could be received by the Commission's secretariat before the Commission's twenty-sixth session.

(Signed) Richard M. AKWEI

ANNEX X

Letter dated 26 May 1987 from the Chairman of the Commission to the Permanent Representatives of Member States to the United Nations in New York other than the Federal Republic of Germany, Japan and the United States of America on the question of supplementary payments

I have the honour to refer to the current review by the International Civil Service Commission of supplementary payments made to some staff of the United Nations and other organizations of the common system. At its twenty-fifth session, in March 1987, the Commission requested its secretariat to collect information on supplementary payments provided by Member States to their nationals who serve as staff of the United Nations common system, for consideration at its twenty-sixth session, in July 1987. I should, therefore, be grateful to receive any information on such supplementary payments by your Government, if applicable, whether this be a periodic cash supplement, assistance with rent, transportation or in any other form.

It will be recalled that this matter was reviewed earlier by the Commission in 1980, 1981 and 1982 as recorded in its sixth, seventh and eighth annual reports (A/35/30, paras. 115-123; A/36/30, paras. 85-94 and annexes V and VI; and A/37/30, paras. 119-124). Moreover, action taken by the General Assembly on the Commission's reports in this regard was reflected in resolutions 36/233, section III, paragraph 2 (f), and 37/126, section II, paragraph 2.

In previous reviews of supplementary payments, the reverse practice was also raised, namely deductions made from the remuneration of staff by some Governments. I should, therefore, be grateful if you could inform me of any such arrangements made by your Government with organizations or individual staff members employed by common system organizations, if applicable.

It has also been mentioned that some Member States are currently providing staff on the basis of reimbursable or non-reimbursable loans because the organization was not able to pay the equivalent levels of remuneration of staff from certain government organizations while working abroad. It would, therefore, be appreciated if you could also inform me whether your Government or any of its agencies has such arrangements with United Nations system organizations, and if so, between which governmental organizations and which United Nations system organizations.

I should be most grateful if you could arrange for this information to be provided to me by the end of June 1987.

(Signed) Richard M. AKWEI

ANNEX XI

Letter dated 26 May 1987 from the Chairman of the Commission to the Permanent Representatives of the Federal Republic of Germany, Japan and the United States of America to the United Nations on the question of supplementary payments

I have the honour to refer to the current review by the International Civil Service Commission of supplementary payments made to some staff of the United Nations and other organizations of the common system. At its twenty-fifth session, in March 1987, the Commission requested its secretariat to collect information on supplementary payments provided by Member States to their nationals who serve as staff of the United Nations common system for consideration at its twenty-sixth session, in July 1987.

It will be recalled that this matter was reviewed earlier by the Commission in 1980, 1981 and 1982 as recorded in its sixth, seventh and eighth annual reports (A/35/30, paras. 115-123; A/36/30, paras. 85-94 and annexes V and VI; and A/37/30, paras. 119-124). Moreover, action taken by the General Assembly on the Commission's reports in this regard was reflected in resolutions 36/233, section III, paragraph 2 (f), and 37/126, section II, paragraph 2.

In this connection I should be grateful if you could inform me whether the relevant arrangements are still in force in respect of your Government and whether any amendments or new arrangements have been made since 1982. In particular I would very much appreciate receiving copies of the current texts of such arrangements applied by your Government.

It has also been mentioned that some Member States are currently providing staff on the basis of reimbursable or non-reimbursable loans because the organization was not able to pay the equivalent levels of remuneration of staff from certain government organizations while working abroad. It would, therefore, be appreciated if you could also inform me whether your Government or any of its agencies has such arrangements with United Nations system organizations, and if so, between which governmental organizations and which United Nations system organizations.

I should be most grateful if you could arrange for this information to be provided to me by the end of June 1987.

(Signed) Richard M. AKWEI

ANNEX XII

Supplementary paymentsA. Responses received from Member States by 20 July 1987
to the ICSC Chairman's letter dated 26 May 1987

Member State	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
Argentina	no	no	
Australia	no	no	
Bahamas	no	no	no
Brazil	no	no	
Canada	two cases	no	
Comoros	no	no	
Democratic Kampuchea	no	no	
Denmark	no	no	Associate experts and Junior Professional Officers
Ethiopia	no	no	
Fiji	no	no	no
Germany, Federal Republic of	no	no	
Guyana	no	no	
Haiti	no	no	
Hungary	no	no	
Iceland	no	no	
Indonesia	no	no	no
Italy	referred to capital		
Jamaica	no	no	no
Madagascar	no	no	

Member State	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
Malawi	referred to capital		
Mauritania	no		
New Zealand	no	no	
Nigeria	no	no	
Philippines	no	no	no
Poland	no		
Portugal	no	no	
Qatar	no staff members		
Rwanda	no		
Saint Lucia	no		
Sierra Leone	no	no	
Singapore	no	no	
Somalia	no	no	no
Sweden	no	no	no
Uganda	referred to capital		
United Republic of Tanzania	no	no	
United States of America	yes (on return to federal civil service) <u>a/</u>	no	
Venezuela	no	no	
Yugoslavia	no	no	

a/ Referred to as "equalization payments".

B. The following countries had not replied to the Chairman's letter by July 1987:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Austria, Bangladesh, Barbados, Belgium, Belize, Benin, Bhutan, Bolivia, Botswana, Bulgaria, Burkina Faso, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic Yemen, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Finland, France, Gabor, Gambia, German Democratic Republic, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Honduras, India, Iran (Islamic Republic of), Iraq, Ireland, Israel, Japan, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Mali, Malta, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Nepal, Netherlands, Nicaragua, Niger, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Romania, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, São Tomé and Príncipe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Solomon Islands, South Africa, Spain, Sri Lanka, Sudan, Suriname, Swaziland, Switzerland (Permanent Observer), Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Uruguay, Viet Nam, Yemen, Zaire, Zambia and Zimbabwe.

ANNEX XIII

Supplementary payments

A. Responses received from organizations to the ICSC Chairman's letter dated 11 May 1987

Organization	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
UNICEF	yes	yes	
UNRWA	official data not available	no	no
UNHCR	no information available		
FAO	intends to carry out internal survey	no	yes
UNESCO	official data not available	no	
WHO	official data not available	official data not available	yes
ICAO	intends to carry out internal survey	official data not available	no
UPU	no information available		
WIPO		no	no
IFAD	no information available		
UNIDO	official data not available		yes
IAEA	official data not available		yes

B. The following organizations did not reply to the Chairman's letter:

United Nations	ITU
UNDP	WMO
ITC	IMO
ILO	GA/TI

ANNEX XIV

Salary scales recommended for staff at ViennaTable ARecommended salary scale for General Service category
as at 1 March 1987

(In Austrian schillings)

Grades	Steps										
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
3	192 866	199 030	205 210	211 382	217 554	223 726	229 898	236 070	242 242	248 414	254 586
4	226 425	233 671	240 917	248 163	255 409	262 655	269 901	277 147	284 393	291 639	298 885
5	265 823	274 329	282 835	291 341	299 847	308 353	316 859	325 365	333 871	342 377	350 883
6	312 075	322 062	332 048	342 034	352 020	362 006	371 992	381 978	391 964	401 950	411 936
7	366 377	378 101	389 825	401 549	413 273	424 997	436 721	448 445	460 169	471 893	483 617
8	430 126	443 890	457 654	471 418	485 182	498 946	512 710	526 474	540 238	554 002	567 766

Table BRecommended salary scale for Manual Workers category as at 1 March 1987

(In Austrian schillings)

Grades	Steps										
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
2	156 706	161 721	166 736	171 751	176 766	181 781	186 796	191 811	196 826	201 841	206 856
3	170 810	176 276	181 742	187 208	192 674	198 140	203 606	209 072	214 538	220 004	225 470
4	186 183	192 141	198 099	204 057	210 015	215 973	221 931	227 889	233 847	239 805	245 763
5	202 939	209 433	215 927	222 421	228 915	235 409	241 903	248 397	254 891	261 385	267 879
6	225 262	232 470	239 678	246 886	254 094	261 302	268 510	275 718	282 926	290 134	297 342
7	274 874	283 670	292 467	301 263	310 060	318 856	327 653	336 450	345 246	354 043	362 840

Table CRecommended salary scale for Language Teachers category as at 1 March 1987

(In Austrian schillings)

	Steps										
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
	385 25	397 625	409 991	422 357	434 723	447 089	459 454	471 820	484 186	496 552	508 918

Longevity steps

XII XIIII

521 121 533 481

Principles and guidelines for performance appraisal
and the recognition of merit

Principle I. Prior to selecting or developing a performance appraisal system, the objectives the organization has for performance appraisal should be formulated

1. While performance appraisal is a tool for improving or maximizing performance, organizations may use performance appraisal administratively in different ways to achieve this end, such as to determine whether staff should receive within-grade step increments or be retained at the end of probationary or fixed-term contracts, to determine who among a group of staff members should receive merit increases in salary or who will be retained during a reduction in force.

2. Information from performance appraisals is useful in making decisions about career development or promotion but it is not sufficient to make judgements about whom to promote. Information is also needed about a staff member's potential to succeed in circumstances that require somewhat different skills.

Principle II. Performance appraisal must be made important and meaningful to supervisors

3. Regardless of how well a performance appraisal system is designed, if it does not have the support of top management, supervisors will neglect performance appraisals in favour of "valued" work. Developing staff regulations and rules regarding performance appraisals is one way of institutionalizing performance appraisals and of engendering a modicum of support. However, this is not enough. The performance appraisals of supervisors should take into account the degree to which they carry out their performance appraisal responsibilities. As with other important parts of a supervisor's job, there must be positive consequences for doing a good job of appraising performance and negative consequences for doing a poor job.

Principle III. The performance appraisal system, including forms and procedures, should be as simple as possible and consistent with the use(s) to be served

4. It is possible to construct elaborate and lengthy performance appraisal forms and procedures that require supervisors and sometimes staff members to spend long hours trying to comply with them. Such forms tend to be self-defeating since they invariably end up doing nothing well, are overly confusing and engender hostility towards the whole performance appraisal system. The participation of the supervisors who will be responsible for implementing the procedures and filling in the forms in defining and working out procedures and forms that meet their needs is one way of assuring the relevance, importance and utility of the system. Whatever forms and procedures are decided upon should be tested prior to full-scale implementation.

Principle IV. The performance appraisal system(s) should be fully transparent to all concerned, i.e. to supervisors and staff members; this means that supervisors and staff must fully understand the purposes of performance appraisal as well as the procedures and forms that are used

5. The core of performance appraisal is clear communication between staff and supervisors about what is expected from staff members on the job. If the reasons, procedures and basis for appraising performance are known to all, and if the performance appraisal relates to the tasks on which the organization's effectiveness depends, then the performance appraisal system will be a powerful management tool for increasing efficiency and effectiveness. In addition to grounding the performance appraisal system in regulations and rules, it would also be helpful to develop administrative issuances explaining the purpose(s) of performance appraisal, the procedures and forms to be used in appraising performance and showing the linkage between performance and appropriate consequences.

6. The process of identifying appropriate tasks and performance expectations, monitoring performance, counselling staff and identifying and assisting staff to improve performance does not always come naturally to staff members, who are often selected or promoted more for their technical knowledge than for their supervisory or managerial ability. It is important that supervisors should have sufficient information, guidance and, where necessary, appropriate training to fulfil their performance appraisal responsibilities.

Principle V. The performance appraisal system should be structured to provide clear communication between staff and supervisors about expected and actual performance

7. To achieve maximum potential for performance improvement it is important for the supervisor and the staff member to meet to discuss the staff member's performance. There should be a meeting between the supervisor and the staff member at the beginning of the appraisal period to identify the activities the staff member is expected to carry out, the relative importance/priority of each activity, and what is expected in carrying out each task; one or more meetings during the cycle to discuss progress in completing the tasks, steps that the staff member could take to improve performance and any changes in priorities or tasks that should be considered; and one meeting at the end to discuss the performance rating and the new tasks and standards.

8. Therefore, the appraisal cycle itself should consist of the following activities:

- (a) Identification of the tasks and expectations by the supervisor;
- (b) Communication of the tasks and expectations to the staff member;
- (c) Performance by the staff member of the tasks, monitoring of performance by the supervisor and discussions with the staff member about the performance;
- (d) Revision of tasks on the appraisal form to reflect new assignments, tasks or priorities as necessary;

- (e) Rating by the supervisor and discussion of the ratings with the subordinate, who may add written comments;
- (f) Review of the rating, normally by the second-level supervisor;
- (g) Entry of the performance report into the staff member's personnel file;
- (h) Appropriate consequences of differing levels of performance;
- (i) Repetition of the process.

Principle VI. To the extent possible, objective, performance-based work tasks important to the efficient and effective operation of the organization should provide the basis for the appraisals

9. The duties or tasks for appraisal should consist of the staff member's principal duties during the period covered by the appraisal. Basically what a performance appraisal system requires is setting out what staff are expected to do, telling them at the end of the appraisal period how they did and using the information for the purposes the system was designed to serve.

10. There are several different sources of information upon which managers can draw when identifying the more important duties or tasks of their staff members. One obvious source is the staff member's job description. If the job description was written many years ago, or if activities and priorities of the organization have shifted, recent planning and/or budget documents may be more useful than job descriptions in identifying the important tasks. Of course, the staff member should also be consulted about the actual duties carried out. Duties that are included in a job description but that the staff member is not expected to carry out during the appraisal period should simply be ignored for this purpose. While the tasks included in the staff member's performance appraisal will probably be written at a different level of specificity than those in the job description, there should be a high degree of relationship between the two. If not, the job description should be rewritten.

11. In appraising performance it is important to keep to duties or tasks (some call these performance objectives, factors or elements) that the staff member is expected to carry out. Care should be taken to avoid basing ratings on traits and attitudes, which can only increase the subjectivity of the appraisals and might lead some staff members to see both the supervisor and the ratings as arbitrary and unfair. This does not mean that the supervisor must avoid phrases such as "self starter", "shows initiative" or "perseveres" when describing the staff member's performance. To reduce claims of being arbitrary or subjective a supervisor who uses such statements should directly link the statements to specific tasks supported with the specific instances of performance that are the basis for the assertion. These types of statements have been found to be most appropriate under general comments in the performance appraisal form/report.

12. The responsibility for determining appropriate work tasks rests with management and should not normally be the subject of negotiation with staff; however, this does not preclude involving staff in the process to the extent practicable. In general, staff involvement in the whole performance appraisal process should be encouraged.

13. When identifying the duties to include in an appraisal it may be helpful to ask several questions: would the work of the unit/organization be adversely affected if the duty/task were not carried out (or is there a requirement such as a regulation, rule or request by the governing body to carry out the task)? Either by itself or in combination with a set of other duties/tasks would non-performance be considered important enough to take some type of administrative action against the staff member (i.e. withholding of within-grade increments, transfer, non-renewal of contract, etc.)? Does the task take a significant amount of the staff member's time?

Principle VII. The standards of performance and priorities or weights for each duty or task should be established by the supervisor and communicated to the staff member before the staff member begins the work

14. It is not enough simply to identify the tasks for which the staff member is responsible. It is equally important to establish reasonable expectations or standards of performance for each of the defined tasks. The standards may relate to how the work is carried out as well as to expected outcomes of the work. Typical measures may include the timeliness of carrying out or completing a task, quality and/or quantity of the work produced, how accurate and complete the work is or other observable behaviours or outcomes. A list of basic questions to ask when developing the standards is provided below:

(a) What is it that the staff member must do in carrying out the task, what procedures must be followed, who must be contacted, who must be involved, and what techniques must be employed, if any, for the staff members to be considered to have performed successfully? If a product is involved, such as a written document of some kind, then what has to be included in it, what must it look like or what outcome must be achieved in order for the staff member to be considered to have been successful?

(b) Can a typical staff member at the same level as the staff member who will be doing the work perform at or produce an output at the expected level with a reasonable amount of effort? (While management has the right to specify standards of performance, staff should be consulted in the process; after all, they are the experts on the job and they are likely to try hard to attain the desired performance if they have a hand in determining appropriate levels.)

(c) Can information about whether the staff member has attained the expected behaviour/outcome be obtained without constructing costly or lengthy procedures?

(d) Is it necessary to obtain information about the performance of staff members over a range of performance levels, as, for example, if decisions must be made about the amounts of merit pay to award to different staff members? If so, it is important that each level of performance be defined so it is clear when staff members are performing at it.

15. The staff member must also know the priority of each of the tasks. For example, if there are one or two tasks that are so important and critical that they should take precedence over other tasks, the staff member must know that. Otherwise he or she may spend much of the appraisal period working on tasks of lesser importance.

Principle VIII. There must be provision for at least three levels of performance, with more levels necessary depending on the objectives of the appraisal

16. At a minimum the performance appraisal system must provide for determination of three levels of performance, one level exceeding satisfactory performance, satisfactory performance, and one level below satisfactory performance on each major task to be included in the staff member's performance appraisal. While three levels may have been considered sufficient by those organizations that use the appraisals only to determine whether to provide a within-grade salary increment or to renew a contract, these are very limited objectives of appraisal, and a broader scope of performance appraisal with differentiation of several levels of performance is desirable.

17. Organizations that plan to provide rewards to staff who exceed expectations, as well as those that may be preparing for reductions in force, will need several distinctions above satisfactory to identify those who are very good and clearly somewhat above the level expected of everyone and the truly superior performers. While it is not necessary to define every performance level, it is important that every other level be clearly defined so that each staff member's performance can be placed on the scale. For example, if there are three performance levels, the middle performance level must be clearly defined. Rating someone at the highest level would then indicate that the staff member has exceeded the defined level, while a rating at the lowest would indicate failure to reach the defined level. If there are five levels then at least two levels, the second from the lowest and the second from the top, must be defined so that accurate determinations of where a staff member's performance fits on the scale can be made.

Principle IX. The timing of performance appraisals should be consistent with the use(s) to which the information will be put

18. The timing and duration of appraisal cycles should be guided by the purposes to be served as well as the activities to be carried out. For example, if the information is to be used to determine whether to renew a contract, then the rating should be obtained as close as possible to the contract renewal date. If the performance rating is primarily concerned with how the staff member completes a large project then obviously the rating should come at the end of that project. Organizations may also be required by their regulations or rules to provide yearly performance ratings as a basis for making determinations about within-grade salary increments.

Principle X. There should be an automatic process for review and approval of performance ratings but performance ratings per se should not normally be rebuttable or subject to grievances

19. Performance ratings per se are a management prerogative. If staff are permitted to rebut or submit grievances about every rating, regardless of the level of performance, the whole process could become mired in formal legalistic processes.

20. In all instances there should be a process of review of appraisals that (a) offers an opportunity for the staff member's views to be heard in instances in which the staff member believes the supervisor has not accurately defined the performance of the staff member, and (b) provides for examination by a higher-level

authority of the consistency and accuracy of the supervisor's ratings. The review process should consist of the following two steps:

(a) Firstly, if the supervisor and the staff member cannot reach agreement about the level of the staff member's performance after discussing the appraisal, the staff member should be allowed to make written comments about the rating and/or the process used to obtain the rating directly on the performance appraisal rating form;

(b) Secondly, a second-level reviewer (normally the second-level supervisor) should review the rating to ensure that the rater has provided specific examples of work supporting the ratings and that the staff member's comments or signature are included on the form(s). Where appropriate, the second-level supervisor should hold discussions with the supervisor and/or staff member and the ratings and comments should be revised prior to a final rating. Once a rating is confirmed by the second-level reviewer it should be considered final and should be entered into the staff member's personnel file, subject to one of the three exceptions discussed below.

21. There are three instances in which rebuttals or grievances concerning the performance appraisal should be permitted. The first is in cases where the performance is rated as less than satisfactory and after the second-level review the staff member does not agree with the rating. In such cases the staff member should have recourse to a third level of review, for example by an independent person, an agency ombudsman or a performance review board. The second is in cases of alleged discrimination. In such cases the formal grievance or rebuttal (using, if possible, the existing organizational grievance procedures) should be based solely on the basis of discrimination. Only if discrimination is found should the actual rating be reconsidered. The third exception is in cases where agency performance appraisal regulations, rules or procedures have allegedly not been followed. Of course, staff always have recourse to file formal appeals against administrative decisions taken based upon the performance ratings.

Principle XI. There must be consequences for different levels of performance that are known to both supervisors and staff

22. Performance appraisal should not be undertaken in a vacuum. While the core of performance appraisal is clear communication between staff and supervisors, there must be known different consequences for staff who perform differently.

23. In general, staff whose performance falls below expectations should have a follow-up conversation with the supervisor that includes discussion of how the staff member can improve performance. If the deficiencies in performance are not corrected, then sanctions should follow. Sanctions should normally not be the first step for staff performing below expectations. The first step should be for the supervisor to discuss the performance with the staff member and to have the staff member attempt to improve the performance. In some instances poor performance can be directly attributed to lack of knowledge or skill in carrying out the activity, which would require providing the staff member with on-the-job or formal training. Only if the performance does not improve should sanctions be applied. While there may be times when the performance is so critical that there is no choice but to take action as soon as the poor performance is detected, these times should be relatively rare.

24. Staff who meet expectations would, given other factors, receive contract renewals and within-grade salary increments when due. Occasionally there will be staff whose performance exceeds expectations, and their performance should be recognized and rewarded. Recognition should be based solely on merit, it should normally be visible and it should occur promptly. If recognition is not based upon merit, if staff who do not deserve special recognition are none the less recognized and if staff deserving of special recognition are not recognized, the credibility of the system will be undermined.

25. The number and type of consequences of performance should match the number of levels of performance that are distinguished by the performance appraisal system. For example, if the performance appraisal system distinguishes between three levels of performance, i.e. exceeds acceptable, acceptable and unacceptable, then there should be three levels of consequences, e.g. one or more rewards for exceeding the acceptable performance level, one or more for meeting expectations, and one or more sanctions. If there are three possible levels of performance but only two possible consequences, supervisors will only feel obliged to distinguish two levels of performance and staff will quickly learn to gear their performance either towards or away from the performance levels for which there are outcomes.

26. The actual rewards and sanctions available to each organization depend on many factors, including the budget situation, existing regulations and rules, the number of permanent positions and career promotion possibilities that are available, training opportunities, etc. Consequently, it is not appropriate to establish hard-and-fast rules across organizations regarding sanctions and rewards for different levels of performance. It is recommended, however, that organizations should make the maximum use of performance recognition and reward as tools for organizational improvement.

27. While performance appraisal is separate from career development, there should be a relationship between career development and the performance of staff.

28. It is recommended that appropriate action should be taken by organizations to deal with different levels of performance. Actions that should be considered are provided below for performance that is acceptable, exceeds acceptable and is unacceptable:

- (a) For acceptable performance:
 - (i) Job retention. The permanent staff member should keep his/her job; contracts for staff members on fixed-term or similar contracts should be renewed in instances where there is a continuing need for the post and money to fund it is available;
 - (ii) Within-grade salary increments. The staff member should receive within-grade salary increments on time;
 - (iii) Conversion of appointment. The staff member becomes eligible for consideration for conversion of appointment from fixed-term to permanent, consistent with the Commission's previous recommendations and resolution 37/126, after five years' good service, based on fully satisfactory appraisals;

- (iv) Other considerations. The staff member may be considered for promotion, voluntary reassignments and for training for purposes of career development;
- (b) For performance that exceeds acceptable:
- (i) Verbal and written recognition. Staff members who have performed above expectations on some parts of their jobs while performing at expectations on the other parts should be recognized. At the very least the supervisor should verbally praise the staff member for the performance. At an appropriate time the supervisor should mention the performance to the second-level supervisor in the presence of the staff member. Appreciation in writing should also be recorded, when appropriate, by the supervisor of the staff member, with copies sent to heads of department and, when meriting this, to the head of the organization, with a copy placed in the staff member's personnel file;
- (ii) Special training opportunities. Staff who have demonstrated superior performance may receive special training to help them assume higher-level responsibilities. Such training shows the staff member that he/she is a valued employee and helps the organization develop its human resources. Of course, unless the organization can provide such opportunities to all staff reaching a particular performance level, the decision on who to send to training would have to be based on additional objective criteria (other than simply the current performance, such as, for example, number of years of service, number of times superior performance has been demonstrated, etc.) to guard against non-competitive and discriminatory decisions;
- (iii) Priority consideration for reassignments. Organizations sometimes have desirable, short-term or even longer-term openings that can appropriately be filled by internal reassignment. Staff who have demonstrated good performance should receive extra consideration for such assignments, particularly if they provide experience beneficial to their career. Organizations that rotate staff to different duty stations and/or to different jobs might allow staff extra time in those assignments/duty stations that staff consider more desirable;
- (iv) Cash awards. These may be considered for staff whose performance over a single appraisal period on all the important elements of the job exceeds expectations. Organizations may exceptionally grant a cash award to a staff member who exceeds expectations on one or a few tasks that are particularly critical while performing at the expected level on the other elements of the job. Cash awards allow a one-time performance to be given a single reward that has no permanent costs. Organizations that cannot provide more permanent rewards for sustained performance exceeding expectations, such as accelerated within-grade salary increments, may wish to use repeated cash awards to achieve the same purpose;
- (v) Extra credit for administrative decisions. Staff whose performance exceeds expectations may be given extra credit for purposes of certain administrative decisions. Examples of appropriate types of extra credit include giving a staff member a certain number of months' credit (for example, an extra half-month for every one month actually worked) towards

eligibility for promotion or towards meeting time-in-grade requirements for other posts at a higher grade. A similar credit could be applied towards time-in-service requirements for conversion from fixed-term to permanent appointments. Organizations that must reduce staff resources through termination of contracts may wish to provide extra protection for the top performers in the form of extra years' service credit when considering whose contracts must be terminated;

- (vi) Accelerated within-grade increments. The advantage of accelerated within-grade increases, as well as the disadvantage, is that they are permanent. The staff member continues to receive the benefits for years after the performance that elicited the reward, regardless of the future level of performance. This type of award is most appropriate for sustained performance at a high level, particularly over several years;
 - (vii) Sabbaticals. Many staff who perform above expectations over many years often do so by minimizing the time away from their duties, reducing their vacations and not taking advantage of training opportunities. It may be in the interest of the organization occasionally to send such staff on missions that, while not directly related to their current jobs, will help prepare them for future assignments or will enhance their productivity and help to spread goodwill for the organization. Such missions should be clearly seen as rewards for high performance;
 - (viii) Certificates. Staff members who have performed above expectations on all parts of their jobs should receive a somewhat higher level of recognition. At the end of a career or at an important stage of the staff member's career certificates of recognition and appreciation approved by the agency head and noted on the staff member's personnel folder are one means of recognizing staff for performance that exceeds expected levels;
- (c) For unacceptable performance:
- (i) Performance improvement plan/training. As pointed out in paragraph 23 above, normally when a staff member's performance falls below expected levels the first step should be to try and help him or her to bring the performance up to acceptable levels. A useful procedure here is for the supervisor to develop a performance improvement plan of what the staff member should try doing differently in order to improve and to discuss the plan with the staff member. This may include on-the-job or formal training as appropriate;
 - (ii) Letter of reprimand or censure. While many different instances of poor performance may trigger letters of reprimand or censure, two specific instances come immediately to mind. One is when the poor performance is really non-performance or refusal to perform on one or more tasks that were pointed out to the staff member as being of particular importance. A second instance is when the poor performance is noted during the appraisal cycle, a performance improvement plan is drawn up for the staff member to improve the performance and the staff member does not carry out the plan. The letter of reprimand or censure should be placed in the staff member's personnel file. The letter could be removable from the

personnel file if the staff member demonstrates acceptable performance over the next two appraisal cycles;

- (iii) Reassignment. In rare instances, for a variety of reasons, a staff member may simply not be able to carry out tasks that have been assigned. When this is found to be the case the organization may reassign the staff member to other duties at the same grade level that the staff member can carry out satisfactorily. This step should be attempted only when, after sufficient opportunity has been given to the staff member to demonstrate acceptable performance, it is clear that the staff member will not be able to perform as required. The fact that the staff member cannot do a particular type of work should be noted on the personnel file so that such assignments can be avoided in the future;
- (iv) Delay or withholding within-grade salary increment. Organizations may withhold or delay the next within-grade salary increment of a staff member whose performance at the end of an appraisal period is lower than expected. For motivational purposes, delaying the within-grade increment for the first instance of poor performance, pending satisfactory performance during a specified period of time, is normally a better course of action than withholding it altogether. Withholding should normally be reserved for instances of repeated non-performance or for severe cases of poor performance;
- (v) Demotion. When performance on critical tasks or on several less critical tasks becomes unsatisfactory, it may become necessary to assign lower-level duties and to demote the staff member to a lower grade;
- (vi) Termination. When a staff member is in the initial year of appointment and performance is less than expected, the organization may wish to terminate the employment at the end of the first appraisal period. A staff member who already has been given one or more new contracts should normally receive an extension of contract for a period not exceeding a full, normal performance appraisal cycle to improve prior to terminating employment. Regardless of the contractual status of the staff member, if performance is below required levels for two consecutive appraisal periods or for two out of three years, consideration should be given to terminating employment.

ANNEX XVI

Reassignments of staff in the Professional and higher categories from 1980 to 1985 by organization (including inter-organization movements)Table A. Reassignments during 1980

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	74	67	88	-	229 (20) <u>d/</u>
UNDP <u>b/</u>	1 <u>c/</u>	3	10	-	14 (1) <u>d/</u>
UNICEF	13	19	82	5	119
UNHCR <u>b/</u>	23	21	30	-	74
UNRWA	-	1	4	-	5
II.O <u>e/</u>	7	10	19	-	36
FAO	33	59	229	-	321
UNESCO	9	8	n.a.	10	27
ICAO	2	5	16	3	26
WHO <u>f/</u>	9	18	159	-	186 (4) <u>d/</u>
IFAD	-	-	-	5	5
WMO	-	-	-	-	-
IMO	-	-	-	-	-
WIPO	-	-	-	2	2
ITU	-	-	2	-	2
ITC	1	1	-	1	3
Total	<u>172</u>	<u>212</u>	<u>639</u>	<u>26</u>	<u>1 049 (25)</u>

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ UNFPA only; UNDP figures for 1980 not available.

d/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

e/ Excludes ICATVT.

f/ Excludes PAHO.

Table B. Reassignments during 1981

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	60	61	103	-	224 (21) <u>c/</u>
UNDP <u>b/</u>	30	27	58		115
UNICEF	14	9	74	2	99
UNHCR <u>b/</u>	16	17	39	-	72
UNRWA	3	2	4	-	9
ILO <u>d/</u>	6	7	14		27
FAO	36	42	195	-	273
UNESCO	10	12	n.a.	3	25
ICAO	4	6	25	5	40
WHO <u>e/</u>	8	12	136	-	156 (5) <u>c/</u>
IFAD		1			1
WMO		2			2
IMO	-	-	-	-	-
WIPO				-	
ITU	-	-	2	-	2
ITC	1	2	1		4
Total	<u>188</u>	<u>200</u>	<u>651</u>	<u>16</u>	<u>1 049 (26)</u>

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

d/ Excludes ICATVT.

e/ Excludes P/HO.

Table C. Reassignments during 1982

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	70	38	100	-	208 (16) <u>c/</u>
UNDP <u>b/</u>	41	27	75		143 (13) <u>c/</u>
UNICEF	13	16	70		99
UNHCR <u>b/</u>	31	29	45		105
UNRWA	1	3	-		4
ILO <u>d/</u>	5	15	9		29
FAO	42	56	202	-	300
UNESCO	11	12	n.a.	4	27
ICAO	4	4	15	6	29
WHO <u>e/</u>	2	14	130		146 (2) <u>c/</u>
IFAD	2	-	-	7	9
WMO	-	3	3	-	6
IMO	-	-	-	-	-
WIPO				1	1
ITU				2	2
ITC	-	1		-	1
Total	<u>222</u>	<u>218</u>	<u>649</u>	<u>20</u>	<u>1 109 (31)</u>

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

d/ Excludes ICATVT.

e/ Excludes PAHO.

Table D. Reassignments during 1983

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	49	36	65	-	150 (15) <u>c/</u>
UNDP <u>b/</u>	28	27	94	-	149 (8) <u>c/</u>
UNICEF	14	16	71	-	101
UNHCR <u>b/</u>	36	31	49	-	116
UNRWA	4	7	3	-	14
ILO <u>d/</u>	8	5	25	-	38
FAO	37	65	167	-	269
UNESCO	5	11	n.a.	1	17
ICAO	2	1	17	1	21
WHO <u>e/</u>	6	19	103	-	128 (4) <u>c/</u>
IFAD	-	-	-	4	4
WMO	-	-	2	-	2
IMO	-	-	-	-	-
WIPO	-	-	-	-	-
ITU	-	-	2	-	2
ITC	-	-	-	-	-
Total	<u>189</u>	<u>218</u>	<u>598</u>	<u>6</u>	<u>1 011 (27)</u>

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

d/ Excludes ICATVT.

e/ Excludes PAHO.

Table E. Reassignments during 1984

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	51	35	69	-	155 (13) <u>c/</u>
UNDP <u>b/</u>	24	29	96		149 (12) <u>c/</u>
UNICEF	18	11	88		117
UNHCR <u>b/</u>	31	28	41		100
UNRWA	4	4	8	2	18
ILO <u>d/</u>	2	10	16		28
FAO	29	42	213		284
UNESCO	8	4	n.a.	1	13
ICAO	2	5	5	2	14
WHO <u>e/</u>	3	7	98		108
IFAD	-	-	-	1	1
WMO			2		2
IMO	-	1	-	-	1
WIPO	-	-		-	-
ITU	1	-	2	-	3
ITC	-	1	-	-	1
Total	<u>173</u>	<u>177</u>	<u>638</u>	<u>6</u>	<u>994 (25)</u>

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

d/ Excludes ICATVT.

e/ Excludes PAHO.

Table F. Reassignments during 1985

	HQ to non-HQ	Non-HQ to HQ	Non-HQ to non-HQ	HQ to HQ (inter-organization only)	Total
United Nations <u>a/</u>	42	23	45	-	110 (14) <u>c/</u>
UNDP <u>b/</u>	28	45	86	-	159 (8) <u>c/</u>
UNICEF	16	21	129	1	167
UNHCR <u>b/</u>	39	39	52	-	130
UNRWA	8	10	2	-	20
ILO <u>d/</u>	7	12	34	-	53
FAO	25	45	166	-	236
UNESCO	6	8	n.a.	3	17
ICAO	5	5	8	4	22
WHO <u>e/</u>	6	14	77	-	97 (2) <u>c/</u>
IFAD	-	1	-	-	1
WMO	-	-	2	-	2
IMO	-	1	-	-	1
WIPO	-	-	-	3	3
ITU	3	2	2	-	7
ITC	-	-	-	-	-
Total	65	226	603	11	1 025 (24)

a/ Includes UNIDO.

b/ Excludes experts (UNDP figures include UNFPA).

c/ Figures in brackets denote inter-organization movements that were not broken down according to type and could therefore not be indicated in the appropriate column.

d/ Excludes ICATVT.

e/ Excludes PAHO.

Table G. Total reassignments of staff in the Professional and higher categories by organization during the period 1980-1985

1. Total numbers of staff

	1980	1981	1982	1983	1984	1985
United Nations	249	245	224	165	168	124
UNDP <u>a/</u>	15	115	156	157	161	167
UNICEF	119	99	99	101	117	167
UNHCR <u>a/</u>	74	72	105	116	100	130
UNRWA	5	9	4	14	18	20
ILO <u>b/</u>	36	27	29	38	28	53
FAO	321	273	300	269	284	236
UNESCO	27	25	27	17	13	17
ICAO	26	40	29	21	14	22
WHO <u>c/</u>	190	161	148	132	108	99
IFAD	5	1	9	4	1	1
WMO	-	2	6	2	2	2
IMO	-	-	-	-	1	1
WIPO	2	-	1	-	-	3
ITU	2	2	2	2	3	7
ITC	3	4	1	-	1	-
Total	<u>1 074</u>	<u>1 075</u>	<u>1 140</u>	<u>1 038</u>	<u>1 019</u>	<u>1 049</u>

a/ Excludes experts (UNDP figures include UNFPA).

b/ Excludes ICATVT.

c/ Excludes PAHO.

2. Reassignment rates (as a percentage of total professional staff in each organization)

	1980	1981	1982	1983	1984	1985
United Nations <u>a/</u>	4.3	3.9	3.6	2.7	3.0	2.4 <u>e/</u>
UNDP <u>b/</u>	1.3	9.5	13.3	14.8	13.1	15.2 <u>e/</u>
UNICEF	19.8	14.2	13.5	10.0	10.3	20.4 <u>e/</u>
UNHCR <u>b/</u>	18.9	16.5	22.3	23.4	18.5	32.0 <u>e/</u>
UNRWA	6.9	11.8	5.2	17.9	22.0	23.5 <u>e/</u>
ILO <u>c/</u>	2.4	1.8	2.1	2.9	2.2	3.9 <u>e/</u>
FAC	9.0	7.8	9.1	8.3	8.8	7.3
ICAO	4.1	6.0	4.2	3.2	2.3	3.9
WHO <u>d/</u>	12.0	10.2	9.5	8.7	7.4	6.5
IFAD	8.2	1.4	12.8	5.4	1.3	3.6
WMO	-	0.95	3.0	1.0	1.0	1.1
IMO	-	-	-	-	0.8	0.9
WIPO	2.3	-	1.1	-	-	3.1
ITU	0.4	0.4	0.4	0.5	0.7	1.6
ITC	2.0	2.6	0.7	-	0.7	-

a/ Includes UNIDO.

b/ Excludes project staff (UNDP figures include UNFPA).

c/ Excludes ICATVT.

d/ Excludes PAHO.

e/ Based on figures provided by organizations that do not correspond to CCAQ statistics.

Length of service (in years) at present duty station as at 31 December 1985 a/ b/

Organization	0-5		5-10		10-15		15-20		20-25		25+		Grand total									
	N-P No.(\$) No.(\$)	P No.(\$) No.(\$)	Total No.(\$) No.(\$)	N-P No.(\$) No.(\$)	P No.(\$) No.(\$)	Total No.(\$) No.(\$)	N-P No.(\$) No.(\$)	P No.(\$) No.(\$)	Total No.(\$) No.(\$)	N-P No.(\$) No.(\$)	P No.(\$) No.(\$)	Total No.(\$) No.(\$)	N-P No.(\$) No.(\$)	P No.(\$) No.(\$)	Total No.(\$) No.(\$)							
United Nations	1 343 34.8	920 69.7	2 263 43.7	808 21.0	266 20.2	1 074 20.8	771 20.0	87 6.6	858 16.6	478 12.4	30 2.3	508 9.8	261 6.8	14 1.1	275 5.3	194 5.0	3 0.2	197 3.8	3 855 100	1 320 100	5 175 100	
UNICEF	395 75.8	346 94.3	741 83.4	73 14.0	20 5.4	93 10.5	34 6.5	1 0.3	35 3.9	17 3.3	0 0	17 1.9	1 0.2	0 0	1 0.1	1 0.1	0 0	0 0	1 0.1	521 100	367 100	888 100
U.N.D.P.	598 70.9	267 87.5	865 75.4	140 16.6	33 10.8	173 15.1	50 5.9	3 1.0	53 4.6	37 4.4	2 0.7	39 3.4	18 2.1	0 0	18 1.6	0 0	0 0	0 0	0 0	843 100	305 100	1 148 100
ITC	10 13.3	54 74.0	64 43.2	19 25.3	9 12.3	28 19.0	24 32.0	9 12.3	33 22.3	20 26.7	1 1.4	21 14.2	2 2.7	0 0	2 1.4	0 0	0 0	0 0	0 0	75 100	73 100	148 100
ILO	334 40.5	491 92.3	825 60.8	153 18.5	36 6.8	189 13.9	130 15.7	4 0.8	134 9.9	103 12.5	1 0.2	104 7.7	49 5.9	0 0	49 3.6	0 0	55 6.7	0 0	55 4.1	824 100	532 100	1 356 100
UNESCO	331 31.3	130 74.7	461 37.5	338 32.0	37 21.3	375 30.5	147 13.9	7 4.0	154 12.5	94 8.9	0 0	94 7.6	10 0.9	0 0	10 0.8	0 0	136 12.8	0 0	136 11.1	1 056 100	174 100	1 230 100
ICAO	158 49.4	217 87.1	375 65.9	53 16.6	30 12.0	83 14.6	42 13.1	1 0.4	43 7.6	36 11.2	1 0.4	37 6.5	16 5.0	0 0	16 2.8	0 0	15 4.7	0 0	15 2.6	320 100	249 100	569 100
UPU	22 31.0	5 100.0	27 35.5	15 21.1	0 0	15 19.7	9 12.7	0 0	9 11.8	10 14.1	0 0	10 13.2	11 15.5	0 0	11 14.5	0 0	4 5.6	0 0	4 5.3	71 100	5 100	76 100
WHO	509 51.4	408 77.1	917 60.4	200 20.2	105 19.9	305 20.1	122 12.3	13 2.5	135 8.9	96 9.7	2 0.4	98 6.5	41 4.1	1 0.2	42 2.8	0 0	22 2.2	0 0	22 1.4	990 100	529 100	1 519 100
WHO/PANU ...	178 53.8	0 0	178 53.8	68 20.5	0 0	68 20.5	42 12.7	0 0	42 12.7	24 7.3	0 0	24 7.3	10 3.0	0 0	10 3.0	0 0	9 2.7	0 0	9 2.7	331 100	0 0	331 100
ITU	78 29.7	4 57.1	82 30.4	56 21.3	2 28.6	58 21.5	37 14.1	1 1.3	38 14.1	39 14.8	0 0	39 14.4	14 5.3	0 0	14 5.3	0 0	39 14.8	0 0	39 14.4	263 100	7 100	270 100
IMO	26 30.2	21 80.8	47 42.0	31 31.4	4 15.4	35 27.7	20 23.3	1 3.8	21 18.8	8 9.3	0 0	8 7.1	5 5.8	0 0	5 4.5	0 0	0 0	0 0	0 0	86 100	26 100	112 100
WIPO	46 46.5	0 0	46 46.5	11 11.1	0 0	11 11.1	17 17.2	0 0	17 17.2	18 18.2	0 0	18 18.2	4 4.0	0 0	4 4.0	0 0	3 3.0	0 0	3 3.0	99 100	0 0	99 100

a/ N-P = non-project staff; P = project staff.

b/ Any lack of correlation with the figures in annex XVI, tables G and H, results from differences in the definitions used.

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