

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION**

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-FIFTH SESSION

SUPPLEMENT No. 30 (A/35/30)



UNITED NATIONS

New York, 1980

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.

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ABBREVIATIONS

ACC	Administrative Committee on Co-ordination
CCAQ	Consultation Committee on Administrative Questions
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
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMCO	Inter-Governmental Maritime Consultative Organization
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNITAR	United Nations Institute for Training and Research
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

15 September 1980

Sir,

I have the honour to transmit herewith the sixth annual report of the International Civil Service Commission, prepared in accordance with article 17 of the statute of the Commission which the General Assembly approved by its resolution 3357 (XXIX).

The report contains a number of recommendations requiring decision by the General Assembly; for convenience of reference a summary of these recommendations is given before the first chapter.

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
Acting Chairman of the
International Civil Service Commission

His Excellency
Mr. Kurt Waldheim
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

Pensionable remuneration and pension entitlements as elements of total compensation: pensionable remuneration on 1 January 1981 shall be:

- 64-67 (a) For the Professional and higher categories expressed as a function of the gross remuneration after consolidation of a number of points of post adjustment taking account of the concurrent revision of staff assessment rates;
- 83-85 (b) For the General Service and other locally recruited categories the gross remuneration derived from a proposed revised scale of staff assessment which would be applied as and when revisions in the salary scales become effective after 1 January 1981.

68 Subsequent adjustments of pensionable remuneration for the Professional and higher categories would be based on the consumer price index of the United States of America for the purpose of computing basic dollar pension entitlements and on the WAPA index for the purpose of computing pension contributions.

75 Pending the completion of a study on a special index to measure relative cost of living for pensioners the current post adjustment indices should be used for adjustment purposes in regard to the Professional and higher categories. As regards General Service category pensioners an adjustment system of pensionable remuneration for the purpose of determining pension entitlements of staff retiring to high cost-of-living countries is proposed.

101 Consolidation of post adjustment into base salary: ICSC recommended that 30 points of post adjustment be consolidated into base salary following the principle of "no loss-no gain"; the corresponding proposed salary scales, scale of staff assessment and scales of pensionable remuneration are contained in annexes II to VI.

121-122 Supplementary payments made to international civil servants of certain nationalities by their Governments: ICSC recommended that the General Assembly call to the attention of all Member States that such practice was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of staff regulations.

156 Review of the education grant: ICSC recommended that the brackets of approved costs reimbursable under the provisions of the grant should be adjusted as follows: first \$3,000 - 75 per cent; next \$1,000 - 50 per cent; next \$1,000 - 25 per cent, subject to the provision that in

Paragraph
reference

respect of disabled children 75 per cent of approved costs up to \$5,000 should be reimbursable; furthermore, that the flat amount payable for boarding costs be increased to \$1,100 and that the prevailing provisions regarding a currency floor be maintained.

Classification of duty stations according to conditions of life and work:

224

ICSC recommended that the Staff Regulations of the organizations be modified with effect from 1 January 1981 (a) to increase the periodicity of home leave to 18 and 12 months for staff members serving in difficult and very difficult duty stations; and (b) to provide for travel of a dependent child between the duty station and the place of schooling twice (instead of once) in the year in which the parent is not entitled to home leave in those field duty stations where schools do not exist which provide schooling in the language or in the cultural tradition desired by the staff member for their children.

226

242

The Master Standard (of post classification): In connexion with its decision to the effect that the Master Standard be implemented on a progressive basis beginning 1 January 1981, the Commission recommended to the legislative bodies of the organizations that (a) executive heads be delegated the authority to grade posts subject to any control mechanisms deemed appropriate by those bodies, and (b) favourable consideration be given by legislative bodies to the requests received from executive heads for additional classification resources necessary for the implementation and maintenance of the common system job classification standards promulgated by the Commission.

253

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291

Special career development programmes: ICSC recommended to organizations of the United Nations common system that they do not institute special career development programmes which would either single out and "groom" for higher grades, or establish target quotas at given grade levels for certain groups. However it recommended to organizations the adoption of a series of measures to ensure that adverse discrimination did not play a role in the careers of staff members.

334

Death grant benefits: ICSC recommended that no change be made to the present death grant benefits scheme.

CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptances of the statute

1. Article 1 of the statute of the International Civil Service Commission, approved by the General Assembly by 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 ...".

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

2. There has been no change in the situation as regards formal acceptance of the statute since the submission of the Commission's fifth annual report. 3/

B. Membership

3. Following the appointments approved, on the recommendation of the Fifth Committee, by the General Assembly at the 111th plenary meeting of its thirty-fourth

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

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

3/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1). Previous reports were as follows: first annual report, ibid., Thirtieth Session, Supplement No. 30 (A/10030); second annual report, ibid., Thirty-first Session, Supplement No. 30 (A/31/30); third annual report, ibid., Thirty-second Session, Supplement No. 30 (A/32/30); fourth annual report, ibid., Thirty-third Session, Supplement No. 30 (A/33/30).

session, on 20 December 1979, the membership of the International Civil Service Commission in 1980 was as follows:

Mr. Richard M. Akwei (Ghana)*** Acting Chairman
Mr. Amjad Ali (Pakistan)*
Mr. Michael O. Ani (Nigeria)*
Mr. Anatoly Semënovich Chistyakov (Union of Soviet Socialist Republics)*
Mr. Jean de la Grandville (France)**
Mr. Gastón de Prat Gay (Argentina)**** Acting Vice-Chairman
Mr. Moulaye El Hassan (Mauritania)***
Mr. Antonio Fonseca Pimentel (Brazil)**
Mr. Pascal Frochaux (Switzerland)***
Mr. P. N. Haksar (India)*
Mr. A. H. M. Hillis (United Kingdom of Great Britain and Northern Ireland)**
Mr. Akira Matsui (Japan)**
Mr. Jiří Nosek (Czechoslovakia)***
Mrs. Ersa H. Poston (United States of America)**
Mrs. Halima Warzazi (Morocco)*

* Term of office expiring 31 December 1980.

** Term of office expiring 31 December 1981.

*** Term of office expiring 31 December 1982.

**** Term of office expires on the appointment of a Chairman by the General Assembly at its thirty-fifth session.

C. Sessions held by the commission and questions examined

4. As in previous years, the Commission held two sessions in 1980: the eleventh, held at United Nations Headquarters in New York from 19 February to 14 March, and the twelfth, held, on the invitation of the Director-General of the World Health Organization at the headquarters of that organization, at Geneva from 14 July to 8 August. The Commission decided that, in view of the heavy agenda, the usual duration of three weeks would not be sufficient for the eleventh and the twelfth sessions respectively. It therefore decided to extend those sessions to four weeks' duration. At its eleventh session, the Commission also agreed that its twelfth session would be preceded by the meeting of the working group the Commission had established to review its statute and rules of procedure (see paras. 311-314).

5. At the beginning of the year, the Commission reviewed the over-all programme of work for 1979-1980 which it had established at its ninth session. In its review of the programme of work it gave priority to those questions on which the General Assembly had requested it to report in 1980, in particular those arising out of resolutions 34/165 of 17 December 1979 concerning the Commission's fifth annual report, and 34/221 of 20 December 1979 on the report of the United Nations Joint Staff Pension Board. At the same time, it decided to maintain on its agenda several other questions relating to the review of the salary system and to defer until later years a number of other questions which had previously been scheduled for study in 1980.

6. Accordingly, the main questions dealt with by the Commission at its eleventh and twelfth sessions were as follows:

(a) Under article 10 of the statute: and in response to a request made by the

General Assembly in section VI of resolution 34/221, a comprehensive examination of the functioning methods of establishment and adjustment and appropriate level of pensionable remuneration, jointly with the United Nations Joint Staff Pension Board;

(b) Under article 10 of the statute: the classification of duty stations according to conditions of life and work;

(c) Also under article 10 of the statute: and in response to the General Assembly's request made in section II of resolution 34/165, the question of installation of a contributory system of death grant benefits;

(d) Furthermore, under article 10 of the statute: review and revision of the experimental rental subsidy scheme;

(e) In the general area of salaries and allowances, under articles 10 and 11 of the statute: the questions relating to the "Noblemaire comparison" between United Nations remuneration of the Professional and higher categories and that of the national civil service taken as the comparator: evolution of the margin between the levels of remuneration of the two services; consolidation of post adjustment into base salary; determination of the post adjustment classification for Geneva; preliminary consideration of the methodology to be used in the comparison of total compensation; preliminary consideration of the methodology to be used in identifying the highest paid national civil service;

(f) Also in the general area of salaries and allowances, under articles 10 and 11 of the statute: and in response to the General Assembly's request made in section I of resolution 34/165, a review of the purposes and operation of the post adjustment system;

(g) Under article 12 of the statute: surveys of best prevailing conditions and related issues resulting therefrom in Montreal, New York, Rome and Geneva for the General Service and other locally recruited categories;

(h) Also under article 12 of the statute: and in response to a request made by the Commissioner-General of UNRWA, a survey of pay and other conditions of service in the West Bank (covering Gaza as well);

(i) Under article 13 of the statute: promulgation of Tier I common job classification standards for the Professional and higher categories; establishment of a methodology for determining professional-level work;

(j) Under article 14 of the statute: questions pertaining to divergent grading patterns, performance appraisal and special development programmes.

7. Summaries of the work done by the Commission in 1980 on all these questions and, where appropriate, its conclusions and recommendations will be found in the following chapters of this report.

D. Subsidiary body

8. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976 pursuant to the authorization given by the General Assembly

in resolution 3418 A (XXX), was composed in 1980 of the following members: Mr. Pascal Frochoux, member of ICSC, Chairman; Mr. Stephen Van Dyke Baer (United States of America); Mr. Janes A. De Souza (Brazil); Mr. Yuki Miura (Japan); Mr. A. F. Revenko (Union of Soviet Socialist Republics); and Nana Wereko Ampem II (Ghana). The resumed fourth session of the Committee was held from 30 January to 4 February 1980 at the headquarters of the International Labour Office at Geneva and its report was considered by the Commission at its eleventh session. The Committee's fifth session was held from 30 June to 8 July at the headquarters of the International Labour Office at Geneva and its report was considered by the Commission at its twelfth session.

CHAPTER II

ACTION ON DECISIONS TAKEN BY THE GENERAL ASSEMBLY AT ITS THIRTY-FOURTH SESSION (ARISING FROM THE FIFTH ANNUAL REPORT OF THE COMMISSION)

9. The decisions taken by the General Assembly at its thirty-fourth session on matters concerning the International Civil Service Commission, apart from those relating to the appointment of members, as already mentioned in paragraph 3 above, related to the Commission's fifth annual report 4/ which was the subject of resolutions 34/165 and 34/221.

A. Long-term functions of the Commission

10. The Commission noted with satisfaction that, by resolution 34/165, the General Assembly had reaffirmed the central role of the Commission in the development of a single unified international civil service and had expressed its satisfaction with the actions taken by the Commission under articles 13 and 14 of its statute and its desire that the Commission continue its work under these long-term functions. The Commission observed that it had taken further steps during 1980 to develop personnel policies under articles 13 and 14 of its statute, most notable of which was its promulgation of common system job classification standards for Professional and higher category positions in common fields of work. It would do its utmost in planning its future work to advance consideration of these questions which were of special concern to the Assembly. The report submitted by the Commission on its work in this area will be found in chapter VII below.

B. Pensionable remuneration and pension entitlements as elements of total compensation

11. In section VI, paragraph 1, of resolution 34/221, the General Assembly requested "the International Civil Service Commission and the United Nations Joint Staff Pension Board to conclude in 1980 their comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration with a view to submitting proposals to the General Assembly at its thirty-fifth session for correcting, no later than January 1981, anomalies in the United Nations pension system brought about by the current economic and monetary circumstances, giving due consideration in the elaboration of those proposals to the fact that the adverse effects of currency fluctuations and inflation can less readily be absorbed by those with smaller pensions than by those with higher pensions". In this regard, the General Assembly invited the Commission and the United Nations Joint Staff Pension Board "to take full account of the views expressed on this and related matters in the Fifth Committee during the

4/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1).

thirty-fourth session of the General Assembly". The report submitted by the Commission in response to this part of the resolution will be found in chapter III below.

C. Review of the functioning of the post adjustment system

12. In section I, paragraph 2, of resolution 34/165, the General Assembly requested the Commission "to begin urgently a fundamental and comprehensive review of the purposes and operation of the post adjustment system with a view to eliminating distortions and anomalies in the resulting levels of remuneration at the various duty stations and grade levels and thereby achieving an improved mechanism for adjusting United Nations remuneration to reflect more accurately the differences in the cost of living at various duty stations and their evolution over time as a result of inflation and currency fluctuations, and to report thereon to the General Assembly at its thirty-fifth session". The report submitted by the Commission in response to this part of the resolution will be found under chapter IV, section B.

D. Grading equivalencies between the United Nations common system and the comparator civil service

13. The Commission noted the approval by the General Assembly, in section II, paragraph 1, of resolution 34/165, of grading equivalencies from P-1 to D-2 as recommended by the Commission for the purposes of making salary comparisons between the two services. Results of the salary comparisons between the two services using the grade equivalencies approved by the General Assembly at its thirty-fourth session are shown in paragraphs 88 to 92.

E. Repatriation grant

14. The Commission noted the General Assembly's decision concerning the payment of repatriation grant as outlined in section II, paragraph 3, of resolution 34/165, by which it decided "that effective 1 January 1980 no staff member shall be entitled to any part of the repatriation grant unless evidence of relocation away from the country of the last duty station is provided". The Commission was concerned that the General Assembly, having at its thirty-third session given an explicit mandate to the Commission to establish terms under which repatriation grant would be payable to the staff, should, at its thirty-fourth session, have reversed the decision taken by the Commission. It wished to draw to the attention of the General Assembly the implications of such action for the harmonization of personnel practices in the common system, as well as for the credibility and the effectiveness of the Commission which the General Assembly had itself set up and to which it had assigned certain responsibilities. The Commission, therefore, would have preferred that the General Assembly refer this question back to the Commission for reconsideration of its decision as allowed for under the statute approved by the Assembly.

F. Death grant benefits

15. In section II, paragraph 2, of resolution 34/165, the General Assembly requested the Commission "to examine the possibility of establishing a contributory system of death grant benefits". The Commission's recommendations on this issue

are outlined in paragraph 334 and the details of its study on the subject are provided in paragraphs 328 to 333.

G. Annual report

16. The Commission noted the last preambular paragraph of resolution 34/165 which suggested that "the Commission consider ways of reducing the length of its annual report while still making clear in its report or its annexes thereto any recommendations to the General Assembly and the precise effect, impact and costs of any proposals".

17. The Commission invites the General Assembly to note that the annual report is required to be transmitted to the governing organs of the other participating organizations and to staff representatives and is, in fact, the only generally distributed information about the Commission's work. Thus, while one of its main functions is to present recommendations to the General Assembly for decision, that is by no means its only function; in that respect, it differs from the reports of most other subsidiary bodies of the General Assembly. While it might theoretically be possible to issue two separate reports, one addressed to the General Assembly and the other containing the information not calling for legislative decision, the Commission was of the opinion that the report should continue to be issued as a single document. The Commission bore in mind the suggestion made by the General Assembly that the Commission consider ways of reducing the length of its report. It confirmed that, in order to facilitate the work of the General Assembly, every effort should be made to identify clearly the parts calling for decision by the Assembly and the supporting material provided by the Commission to explain and justify its recommendations, as distinct from the descriptive and informative parts of the report.

CHAPTER III

PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS AS ELEMENTS OF TOTAL REMUNERATION

A. Introduction

18. The Commission, in accordance with its stated intention, approved by the General Assembly in section II, paragraph 3, of resolution 33/119 of 19 December 1978, to make "a comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration, in particular with a view to preparing in co-operation with UNJSPB, proposals to be submitted to the General Assembly at its thirty-fourth session for correcting anomalies in the United Nations pension system brought about by the current economic monetary circumstances", presented the results of its examination and certain proposals based thereon to the General Assembly at its thirty-fourth session. The Commission's findings and proposals were considered by the Fifth Committee of the General Assembly, together with those of UNJSPB.

19. As a result, in resolution 34/221, the General Assembly requested the Commission and the Board to conclude in 1980 the examination of the issues referred to in its earlier resolution with a view to submitting to the thirty-fifth session, proposals for correcting, not later than by January 1981, the anomalies mentioned therein. The resolution also invited the Commission and the Board to take full account of the views expressed on these and related matters in the Fifth Committee during the thirty-fourth session of the General Assembly.

20. The Commission continued to bear in mind other relevant resolutions of the General Assembly, in particular, that part of resolution 33/120 of 19 December 1978, in which it is stated that "no change in the pension adjustment system should entail an increase in the present or future liabilities of Member States".

B. Pensionable remuneration for the Professional and higher categories

1. The "Band proposal"

21. At its eleventh session, the Commission was informed that, immediately after the adoption of resolution 34/221, consultations had taken place between the Commission and UNJSPB in order to plan their work.

22. As a result of that co-operation, the Commission at its eleventh session considered an outline of a possible approach to the formulation of new proposals. That approach sought to create a closer relationship between the levels of a participant's initial pension (in local currency) and the levels of United Nations salary applicable (or deemed applicable) in his country of retirement.

23. To achieve this purpose, it was suggested to group all countries into four "bands", each one consisting of countries with reasonably similar levels of cost of

living. For lack of a universal system to rank each country's cost of living in relation to that of all other countries, the post adjustment classification would, at least initially, be used for that purpose.

24. The Commission, recognizing that the post adjustment indices were not ideal for that purpose, instructed its secretariat to investigate the possibility of a modified post adjustment or special index for pensioners and the possibility of including income tax as an item of expenditure in such an index. Pending the results of that investigation, it was assumed that the countries would be grouped in accordance with their post adjustment classification. The grouping suggested was the following:

Post adjustment class	Band
Below class 5	A
Class 5 through class 9	B
Class 10 through class 14	C
Class 15 and above	D

25. For benefit purposes, pensionable remuneration applicable to countries of retirement falling in band A would be made equal to gross remuneration without post adjustments. For countries of retirement falling in the other bands, the basic gross remuneration would be increased by a percentage adjustment based on the post adjustment multiplier applicable to the lowest class of post adjustment in that band, multiplied by 0.86 (representing the value of each multiplier point in relation to base salary). The following table illustrated the then envisaged arrangement:

Band	Lowest class of post adjustment	0.86 of post adjustment multiplier for that class	Adjustment to basic gross remuneration
A	0*	0	100%
B	5	24.1	125
C	10	54.2	155
D	15	92.9	190

* Ignoring negative classes.

26. After welcoming the general agreement with that approach expressed in the Standing Committee of UNJSPB, the Commission considered it to be a basis for further testing and development by its secretariat in close co-operation with that of the Board.

27. The Commission therefore suggested that the following issues should, in the first instance, be further studied by the secretariat of UNJSPB: the number of bands of pensionable remuneration; the percentage rate to be applied; the effect on

the actual level in different countries; the level of pensionable remuneration for contribution purposes; the effect on the present post adjustment system; consequent changes needed in the regulations of the Fund; and the means of applying them to existing pensioners and transitional measures.

2. The "Washington proposal" and its application

28. At its twelfth session, the Commission had before it the results of the deliberations of UNJSPB at its twenty-seventh session, held at Washington, D.C. from 2 to 13 June 1980. These had to a large extent been based on documentation prepared in accordance with the Commission's suggestions listed above. The documentation also included an analysis of the present pension system, including the determination of pensionable remuneration for the Professional and higher categories, as well as an examination of the four "band" proposals, together with the outline of an alternative approach.

29. The Commission noted that the Board had come to the conclusion, in the light of the cost figures and analysis provided by its Consulting Actuary, that even if some modifications were to be introduced it would be preferable to develop an alternative approach.

30. After considering a number of other possible measures, the Board decided that the system of pensionable remuneration for Professional and higher categories should continue to be universal. However, it should be supplemented by a selective system which would provide for the application of cost-of-living differential factors to the final average remuneration for purposes of computing the local currency track pension when a participant retires in a country where the cost of living is substantially higher than at the base of the post adjustment system (currently in New York).

31. Recognizing the need to provide greater compensation for cost-of-living levels when they are substantially above that at the base, the Board decided to adopt a progressive scale of factors which would become applicable from a threshold set at four classes of post adjustment above the base. The following table indicates the method to be applied:

Cost-of-living differential factors	
Number of classes of post adjustment above the base	Factor %
Less than 4	0
4	3
5	7
6	12
7	17
8	22
9	28
10	34
11	40
12 or more	46

32. In applying these factors, the difference between the post adjustment classification at the base and that applicable in the country of retirement would be averaged over the 36 consecutive calendar months up to and including the month of the participant's separation and the result would be computed to two decimal places. The applicable cost-of-living differential factors would be derived from the above table by interpolation.

33. In view of the reminder, contained in the General Assembly resolution, that the adverse effects of currency fluctuations and inflation can less readily be absorbed by those with smaller pensions than by those with higher pensions, the Board decided that any new measures to increase the pensionable remuneration used to compute the pensions of those retiring in high-cost areas should be applied to only a limited amount of their pensionable remuneration. The level chosen for that purpose was the pensionable remuneration at grade P-2, step XI.

34. The Commission was informed by the Board that the measures described earlier would increase the actuarial liabilities of the Fund by about \$125 million, in lump-sum terms, which represented about one third of 1 per cent of the future payroll of participants or 1.4 per cent of the \$8,800 million liability determined in the fifteenth actuarial valuation, and that the Consulting Actuary had expressed to the Board the view that the additional liability could be offset by savings if a double mechanism to index pensionable remuneration in the future would be used, namely, the US CPI to adjust pensionable remuneration which determines the base dollar benefit and WAPA for adjusting the pensionable remuneration for contribution purposes. The Board had agreed to examine this suggestion further at its special session in 1980, after having reviewed the decisions of the Commission on this matter.

3. A modified index for pensioners

35. The Commission, at its eleventh session, had resumed its study of the question of pensionable remuneration and pension entitlements as elements of total compensation. At the conclusion of its deliberations, the Commission then instructed its secretariat to proceed, in full co-ordination with the secretariat of UNJSPB, with further investigation of the possibility of a modified post adjustment or special index for pensioners and the possibility of including income tax as an item of expenditure in such an index. The examination of the matter was requested by the Commission in response to resolution 34/221, in which the International Civil Service Commission and the United Nations Joint Staff Pension Board had been invited to take full account of the views expressed in the Fifth Committee during the thirty-fourth session of the General Assembly on the pensionable remuneration and related matters.

36. The relevance of this question was recognized by the Pension Board, at its meeting in Washington, D.C., which expressed interest in the possibility of using a modified or special index. That interest derives from the belief that the expenditure patterns of pensioners are not identical to those of serving staff on which the post adjustment classification is based.

37. In compliance with this request, the secretariat engaged the services of a consultant, whose report was considered by the Advisory Committee on Post Adjustment Questions at its fifth session, held at Geneva from 30 June to 8 July 1980.

38. ACPAQ noted that the establishment of a modified post adjustment index which would take account of the situation of pensioners raised a number of questions, such as statistical assessment of housing costs of pensioners as compared with those of serving staff, out-of-area expenditure, contributions to medical insurance schemes - which differed among pensioners in a given country, depending on the agency in which they had served - and the impact of those and other factors on the weighting of the post adjustment index. It was ACPAQ's view that, before the establishment of such an index for pensioners could be studied, the Commission would have to make decisions in principle on the subject. That applied in particular to the question of whether account was to be taken of the tax issue, on which a decision in principle would have to precede any technical discussion. What had to be decided, in fact, was whether the pension system as it stood was to provide equal treatment for pensioners vis-à-vis the tax systems of the countries in which they themselves had voluntarily elected to live.

C. Pensionable remuneration for the General Service category

1. The staff assessment element

39. In its report to the General Assembly in 1979, the Commission noted that "its consideration of the problem of pensionable remuneration has been concentrated almost exclusively on the Professional and higher categories". However, "it had hoped - and still does hope - that when it can recommend a long-term solution for the Professional category, that solution will provide a key as to how the problem of the General Service category should be solved, bearing in mind that the two categories are treated without distinction by the Regulations of the Pension Fund, the only difference lying in the way in which their pensionable remuneration is established. Concern has been expressed that by concentrating first on the search for a solution to the problems of the Professional category, the Commission would neglect the General Service category and place it in an unfavourable solution. Some have therefore urged that the two categories be dealt with simultaneously and in parallel; others have feared that doing so might result in worsening the conditions of the General Service category in some duty stations where their situation with respect to pensionable remuneration is at present relatively favourable. To these two contradictory concerns the Commission can only give an assurance that it is well aware of the problems concerning pensionable remuneration and pension entitlements of General Service staff members in different duty stations (including non-locally recruited staff) and will do its utmost in 1980 to find a solution for them which will be compatible with that found for the Professional category and, above all, equitable." 5/

40. At its eleventh session, the Commission instructed its secretariat to undertake, as part of its study of the pensionable remuneration and pension entitlements as elements of total compensation, which was being conducted in full co-ordination with UNJSPB, to find a solution for pensionable remuneration of the General Service category (not overlooking the question of non-local General Service staff). In carrying out that examination, the secretariat reviewed the historical background of this question, including the consideration given to it by

5/ Ibid., para. 97.

the Commission at each of its past sessions, and took into account the recommendations of UNJSPB as regards the pensionable remuneration of staff in the Professional and higher categories.

41. Two basic approaches were suggested:

(a) To determine staff assessment and pensionable remuneration by reference to the "best prevailing local conditions", the criterion applied in determining the net salary of the General Service category in each duty station;

(b) To retain the uniform global scale of staff assessment, subject to certain modifications in the methods used to determine the staff assessment rates and in the way they were applied to net salaries.

42. Under the first approach it was suggested either (a) to use local tax as the scale of assessment for the purpose of deriving the gross salary from the net salary, or (b) to evaluate the best prevailing pension benefits which would then be used to determine the level of pensionable remuneration, required to produce a similar level of benefit within the United Nations pension system.

43. As regards (a), the Commission had earlier taken the position that to relate staff assessment to national income taxes and pensionable remuneration to outside gross salaries was not a valid solution, since in most countries pensionable remuneration and gross salary were not coterminous and pensionable remuneration was only one of the factors which determined pension. National tax systems were governed by the fiscal and social objectives of each country and were largely irrelevant to the issue of what would be the correct level of pensionable remuneration for General Service staff.

44. As to (b), the Commission had noted earlier that this would present the same methodological problems encountered when attempting to evaluate total compensation in respect of the Professional category. The difficulties would be multiplied by the number of duty stations where surveys had to be conducted and by the variety of different pension schemes within a single duty station (as the Commission had already observed in Geneva). The Commission had, therefore, concluded that, on practical grounds the approach of relating pensionable remuneration to best prevailing local conditions must be ruled out, at least until more experience had been acquired in making total compensation comparisons.

45. The Commission, therefore, under the second approach examined various suggestions for establishing and applying global scales of assessment, including:

(a) Updating the existing rates by reference to the current average (weighted or unweighted) of the tax rates in effect in the seven headquarters countries which might possibly be extended to include other countries. These rates would be applied to the dollar equivalents of the net salaries converted at the average of the rates of exchange over a period of time, rather than at the rates applicable on the date when the scale was to come into effect.

(b) Establishing a scale of staff assessment expressed in percentages instead of currency amounts; i.e., the local tax rates applicable at the salary levels corresponding to the minimum and maximum of the General Service scale in each of the duty stations selected would be weighted by the number of staff members in those duty stations to obtain a weighted average tax rate in percentage

terms which would be applied to the minimum and maximum of the General Service salary scales everywhere. The rates for intervening salary brackets would be derived by interpolation. This procedure would obviate the need to convert from a local currency into dollars.

46. In considering alternative (a) above, i.e., revising the existing global staff assessment rates, a possible scale of assessment based on the local tax rates applicable in 7 headquarters and 10 regional duty station locations were examined. In deriving the rates, consideration was given to the differentials encountered in the comparative local tax tables, namely, that the lower income brackets are more common in the locations of regional offices, while the higher income brackets are more prevalent in the headquarters countries.

47. In examining alternative (b) above, i.e., the use of a scale expressed in percentage of assessment, the Commission recalled that this scheme attempted to insulate staff assessment from the fluctuation of the dollar. It would maintain a relationship between net and gross salaries at the lowest and highest levels of the salary scale. However, while it solved the problem of converting local currency into dollars, this approach created other problems. Thus, the same percentage would be applied to staff members in Addis Ababa where the minimum net salary is \$1,132 and to those in New York where the net salary is minimum \$9,096.

2. The application of the "Washington proposal"

48. While no definite proposal was formulated at the 1980 Pension Board session in regard to adjustments for General Service staff retiring in a country different from that of their duty station, the opinion was expressed in the Board that adjustments similar to those for Professionals should be applied to General Service staff. The Board had therefore instructed its secretariat to work out the details of such a scheme to be examined by the Commission and by the Board at a special session to be held later this year.

49. Under this scheme an adjustment would be applicable to all General Service staff, irrespective of whether they were locally or internationally recruited, who retire in a country different from that of their duty station. A comparison would be made between the midpoint net salaries at the two locations, and if that of the country of retirement (CR) is higher than that of the duty station (DS), the final average remuneration used to determine the pension entitlement in local currency would be increased in accordance with the following table:

<u>Ratio of midpoint net salary at remuneration at CR to that at DS</u>	<u>Cumulative per cent increase</u>
Less than 122	0
122	3
128	7
134	12
141	17
148	22
155	28
162	34
171	40
180 or more	46 (maximum)

D. Discussions by the Commission

1. Views of CCAQ

50. As all organizations had been associated with the elaboration of the Washington proposal and were parties to the consensus, CCAQ endorsed these proposals.

51. As regards the question of a modified or special index for pensioners, CCAQ believed that the consultant's study submitted to the Commission could be of use to it in deciding what further steps it wished to take. A decision as to the desirability and feasibility of such a modified or special index must in any case be taken. Further studies would then be needed, both on the tax element and on other significant elements such as housing and out-of-area expenditures.

52. With respect to pensionable remuneration of the General Service category, CCAQ recalled the practical difficulties and conceptual limitations of basing United Nations pensions on outside gross salaries. It also noted the problems which could arise with the method of grossing up net salaries by uniform percentage factors. Consequently, CCAQ favoured the retention of the present global staff assessment scales, revised to reflect current taxes in the seven headquarters countries and 10 countries where major regional offices are located. The scales so established would be reviewed regularly every four or five years, using a 36-month average exchange rate. The new scales should be implemented in the different duty stations on the occasion of revisions of the General Service salary scales, with appropriate transitional measures to protect existing levels.

53. CCAQ also agreed that the new scale of assessment should be implemented in the different duty stations only on the occasion of local salary revisions and in such a way that the existing gross salary levels would be maintained until surpassed as a result of subsequent salary increases.

54. Finally, CCAQ supported the application of the Washington proposal to all General Service staff retiring in a country other than that of their duty station.

2. Views of FICSA

55. The Federation also expressed its support of the Washington proposal despite its belief that some anomalies would remain. On the question of a special index for pensioners, some members of FICSA felt that, in addition to the tax element, it would have to reflect other relevant items of expenditure in order to be fully representative. One representative stated that the inclusion of income tax in the modified index for pensioners was of the highest priority in the implementation of the Washington proposal.

56. With regard to the existing scale of staff assessment for the General Service category, FICSA considered that if it was to be revised to take account of the changes that had occurred since 1964 that should be done in conjunction with a revision for the Professional category in order to re-establish a single scale for the two categories.

57. Finally, with regard to the proposals concerning the General Service category which were based on the Washington proposal for the Professional category, FICSA considered that they were totally inadequate because they failed to provide a satisfactory solution to the problems which participants from low-cost duty stations confronted on retirement to a country with a high cost of living.

3. Views of the Federation of Former International Civil Servants

58. The Federation supported the Washington proposal and welcomed its extension to present pensioners. It believed that, while a special index for pensioners which would take into account all differences in their expenditure pattern was desirable, its unavailability at the present time should not delay the implementation of the Washington proposal.

E. Views of the Commission

1. Professional and higher categories

59. The Commission decided to endorse the proposal formulated at the UNJSPB session held in Washington, D.C. It noted with satisfaction the progress made since last year. While the proposal differed from the alternatives examined by the Commission, it was a pragmatic solution arrived at after careful examination of proposals which the Commission had put forward at its eleventh session. It rectified to some extent the anomalies created by currency fluctuations by selectively compensating staff members retiring in countries where the cost of living was substantially higher than at the base (currently New York), while maintaining the universal system of pensions as well as the two-track adjustment system.

60. During the discussion of the cost element, the Chairman of the Standing Committee of UNJSPB drew the attention of the Commission to the estimates furnished by the Consulting Actuary, given in paragraph 34 above. The Commission was further informed by the Consulting Actuary that there would be no increase in the budgets of the member organizations with regard to their contributions to the Pension Fund as a result of the proposed changes in the pensionable remuneration of both Professional and General Service staff. With regard to the resulting actuarial liability, it was pointed out that it was not of a magnitude to require supplementary payments by Member States. Changes in one or more of the elements on which the current projection had been based, such as age of retirement or age of entry into the Fund, could substantially affect the actuarial position of the Fund, one way or the other.

61. The Commission recognized that the "Washington proposal" was predicated on the maintenance of a universal pensionable remuneration system for staff in the Professional and higher categories, which would continue to be a function of their gross remuneration. It would be supplemented by a selective system which would apply a cost-of-living differential factor to a participant's final average remuneration, whenever such participant retired in a country where the cost of living was substantially higher than that which was reflected in his pensionable remuneration.

62. If, as the General Assembly has requested, the proposals to be submitted by ICSC and UNJSPB for correcting certain anomalies in the United Nations pension system were to become effective by 1 January 1981, the Commission recognized that the following action would be required on its part:

(a) Establishment of rates of pensionable remuneration on 1 January 1981 which could be deemed to be appropriate for Professional staff at the base of the system (currently New York);

(b) Adoption of a system to adjust these rates thereafter;

(c) Adoption of a mechanism to measure the relative cost of living among the various possible countries of retirement.

63. After in-depth discussions, the Commission reached the following conclusions on these matters:

2. Initial rates on 1 January 1981

64. The rates of pensionable remuneration to be adopted on 1 January 1981 for staff in the Professional and higher categories should be a function of the revised rates of gross remuneration which will become effective on that date as a result of the consolidation of a number of points of post adjustment and the simultaneous revision in the scale of staff assessment for such staff.

65. The Commission recalled that the existing rates of gross remuneration were established on 1 January 1977 and that the present rates of pensionable remuneration were last established on 1 July 1980 at 140 per cent of such rates, as a result of the application of the WAPA movement through March 1980. The Commission noted that, under the present system, the rates of pensionable remuneration were to be further adjusted on 1 January 1981, provided that the movement of WAPA from March through September 1980 amounted to at least 5 per cent of the initial rates as established on 1 January 1977.

66. The Commission further noted that the cumulative movement of the US CPI from 1 January 1977 to the present was similar to the WAPA movement during the same period and that the continuation of the present WAPA system through 1 January 1981 most likely would produce similar results to what would have been produced by the application of the US CPI to the rates of gross remuneration on 1 January 1977.

67. Accordingly, and in order to avoid the need to devise a system for the preservation of acquired rights which would be both legally sound and administratively workable, the Commission decided to recommend that the rates of pensionable remuneration on 1 January 1981 should be established at the level that will be reached by the application of the present WAPA system through September 1980.

3. Subsequent adjustments of pensionable remuneration

68. The Commission recognized that, in order to remain current, the rates of pensionable remuneration would have to be adjusted periodically to reflect changing levels of inflation. It decided that the index used for that purpose should be:

(a) The US CPI for the purpose of adjusting the rates of pensionable remuneration used to compute the basic dollar entitlement under the Pension Fund Regulations; and

(b) The WAPA index for the purpose of adjusting the rates of pensionable remuneration used to determine the contributions to the Pension Fund.

69. The movement of each index would be measured twice a year, in January and in July. A change in pensionable remuneration would be effected on the following 1 April or 1 October respectively, if the movement amounted to 5 per cent or more of the rates of pensionable remuneration then in effect. The full extent of the index movement would be applied, but with the provision that the rates of pensionable remuneration for contribution purposes could never fall below the rates used for benefit purposes.

70. The first such calculation would be made in January 1981 and would measure both the United States CPI movement and the WAPA movement since September 1980.

71. One member of the Commission was opposed to the system of adjusting the indices outlined above. The results of the system would be such that pensionable remuneration and pensionable remuneration for contribution purposes would change more rapidly than the post adjustment at the base (New York) because account would be taken of all movement of the indices exceeding 5 per cent. The system was also illogical, inasmuch as no adjustment would be made if the indices rose by 4.5 per cent whereas any fraction in excess of 5 per cent would be taken into account. The member proposed that the indices should be adjusted at the dates envisaged on the basis of upward or downward variations by multiples of 5 per cent.

4. Index to measure relative cost of living

72. As the Washington proposal was intended to provide higher pensions to compensate for the higher cost of living in some countries, as compared to the base country, a mechanism was needed to measure the relative cost of living in different countries. While the post adjustment system provides such a mechanism, it is essentially intended for serving staff, whose expenditure patterns may be different from those of retired staff in the same countries.

73. The Commission noted that ACPAQ, which had examined this question at the Commission's request, had expressed the view that a policy decision by the Commission was needed before the details of such an index could be elaborated. Some members of the Commission felt that, although there was no explicit reference in the General Assembly resolution, in their view, the Commission was expected to pronounce itself in the matter, in the light of its mandate to take account of the views expressed in the Fifth Committee debate, some of which had made particular reference to the importance of the tax factor.

74. Other members of the Commission felt that any decision and recommendation on a special index for pensioners at this time would be premature. They felt that the objectives and principles which should guide the design of such an index had not been clearly formulated, that the inclusion of only a few elements such as income tax and out-of-area expenditure, as had been suggested, was insufficient for that purpose and that further studies were therefore needed.

75. The Commission felt that it would not be possible for it at this time to formulate a recommendation on this subject without an in-depth study of all the implications, both technical and financial, which would be undertaken at an early date. However, in order to allow the proposals designed to remedy the anomalies referred to in the General Assembly resolution to become effective on 1 January 1981, the post adjustment system would have to be used, pending the elaboration of the special index.

5. General Service category

76. Two separate issues were discussed by the Commission with respect to the pensionable remuneration of staff in the General Service category, namely:

(a) The scale of staff assessment rates used to gross up net salaries;

(b) The possible application of the Washington proposal to staff members who retire in a country other than that of their duty station.

77. The Commission noted that further analysis indicated that if pensionable remuneration for the General Service staff were to be derived from grossing up the net salaries in each locality by the application of local taxes, the following problems would have to be resolved:

(a) Under the present system, staff members of the General Service category are free to retire wherever they wish. If such a staff member works in a duty station where tax is levied on pensions but decides to retire in a country whose Government does not levy tax on pensions, his pension there could be viewed as over-compensation. The reverse situation could also occur. A system based on local tax would require the introduction of procedures to correct future anomalies.

(b) Differentiations would be created between the two categories of staff. While it is recognized that Professionals are internationally recruited and the majority of General Service are locally recruited, no differentiation has been made in the past with regard to their pension benefits. A strict application of local taxes as levied on pensioners would in effect maintain global staff assessment for Professionals, while General Service staff would, in certain countries, have their pensionable remuneration defined as their net salaries, even though they may both retire in the same country.

(c) In a fully funded system, pensionable remuneration has to be studied on a long-term basis. Solutions which depend on different governmental tax policies may introduce frequent changes inasmuch as tax rates may vary according to the prevailing economic and social conditions in a given country.

(d) Strict application of local taxes levied on pensioners might cause an undesirable situation regarding transitional measures. By definition, gross salaries of serving General Service staff in a duty station where no taxes are levied on pensioners are higher than net salaries. If transitional measures were applied, i.e., maintaining present levels of gross until increases in net salary reach gross levels, years may pass before net would reach "old" gross.

78. As to the possibility of relating pension benefits to those of the United Nations, the Commission noted that in the absence, at present, of any guidelines or methodology to compare pension entitlements, the experience gained in salary surveys for General Service staff at headquarters duty stations showed that this alternative could not be pursued.

79. After having reviewed the various alternatives, the Commission examined the suggested staff assessment applied to net salary to determine pensionable remuneration which was updated according to the tax rates applicable in the seven headquarters countries and in 10 regional offices located in different geographical regions and which used a 36-month average for converting local currency into dollars, where almost two thirds of General Service staff members are serving. It also examined the possible application to present salary scales, i.e., that the scale of assessment so derived could be implemented in the different duty stations on the occasion of local salary revisions. If the resulting gross salary, i.e., pensionable remuneration, were lower than at the existing level, the latter would be maintained until surpassed as a result of subsequent salary increases.

80. The Commission noted that, under the present system, no distinction was made for pension purposes between either locally and non-locally recruited or between General Service and Professional staff. Indeed, some members of UNJSPB at its recent session objected to the introduction of such a differentiation. A number of organizations felt that, whatever the approach adopted, the acquired rights of all staff members would have to be maintained, in particular freedom of movement which was said to imply the application of the same or similar adjustment for all categories of retirees.

81. The Commission noted that, if staff assessment were updated and revised, no major problems would emerge in maintaining a common system for pensions, while the strict application of local taxes to establish pensionable remuneration would require formulating policies to correct anomalies as well as the elaboration of mechanisms for their implementation.

82. After discussing the implication of the various choices available and after taking account of the views expressed thereon by CCAQ and FICSA, the Commission agreed that while the use of individual local scales of staff assessment rates might be logical, their application could not be justified at this time. Also, the Commission did not find it feasible at present to use a number of regional scales as suggested during the discussion.

83. The Commission therefore agreed to retain a global scale for all staff in the General Service category, which would be applied to the net salaries converted into dollars by the use of a 36-month average of exchange rate.

84. That scale would reflect the most recent tax rates in the seven headquarters countries and in the 10 countries where regional offices are located. At low income brackets, the scale would be based on the average tax rates of the 10 regional offices countries; in the middle income brackets, it would be based on the average tax rates for all 17 countries; and at the higher income brackets, it would be based on the average tax rates in the seven headquarters countries, as shown in the table below:

Scale of staff assessment for staff in the General
Service and other locally recruited categories

Gross salary		Staff assessments			
		By income bracket		Cumulative	
Bracket	Cumulative	%	Amount	Amount	%
First 2,000	2,000	7.0	140	140	7.0
Next 2,000	4,000	11.0	220	360	9.0
2,000	6,000	15.0	300	660	11.0
2,000	8,000	19.0	380	1,040	13.0
4,000	12,000	22.0	880	1,920	16.0
4,000	16,000	25.0	1,000	2,920	18.3
4,000	20,000	28.0	1,120	4,040	20.2
6,000	26,000	32.0	1,920	5,960	22.9
6,000	32,000	35.0	2,100	8,060	25.2
6,000	38,000	38.0	2,280	10,340	27.2
8,000	46,000	41.0	3,280	13,620	29.6
Over	46,000	43.0			

85. This scale of staff assessment would be applied, as from the date of the next revision, to the General Service and other locally recruited categories salary scales at the different duty stations. If the new staff assessment rates, applied to the revised net salaries, were to produce gross salaries, and therefore rates of pensionable remuneration, lower than the existing ones, the latter would be maintained until surpassed as a result of subsequent further revisions to the salary scales.

86. The Commission decided to endorse the application of the Washington proposal to staff members in the General Service category who retire in a country other than that of their duty station. The cost-of-living differential factors would be based on the ratios of midpoint net salaries at the country of retirement and at the duty station. The factors will be the same as used in paragraph 49.

87. One member of the Commission, while recognizing the suitability of the scale proposed in paragraph 84, said that, in his view, it should be introduced simultaneously with the scale of staff assessment for professional and higher categories suggested in paragraph 12 of Conference Room Paper 17/Add.21 in order to maintain uniform treatment of staff and to give the Commission time to consider combining the two scales into a single scale, as had earlier been the case.

CHAPTER IV

CONDITIONS OF SERVICE OF THE PROFESSIONAL
AND HIGHER CATEGORIES

A. Comparison to be made in application
of the Noblemaire principle

1. Evolution of the margin between the remuneration
of the United States Civil Service and that of
the United Nations common system

88. In accordance with the mandate given to it, the Commission continues to keep the relationship between the levels of remuneration of the United States, the present comparator, and the United Nations common system under continual review.

89. Pending the development of a methodology which would allow for the comparison to be made in terms of total compensation (see paras. 106-108), this comparison continues to be made, as approved by the General Assembly, on the basis of the net remuneration of officials of the two services having a dependent spouse but no children, and between the headquarters of the two systems, i.e., Washington, D.C., for the United States Civil Service, and New York for the United Nations common system, with due allowance for the difference in cost of living between the two cities.

90. For the first time this year, the comparison uses the grade equivalency for D-2 as approved by the General Assembly (sect. II, para. 1, of resolution 34/165) at its thirty-fourth session on the recommendation of the Commission. Furthermore, the effect of the introduction of the Senior Executive Service (SES) on remuneration at United States Civil Service grades GS-18 and executive levels V and IV was also taken into account as decided by the Commission in 1979. 6/

91. The margin of United Nations remuneration over that of the United States Federal Civil Service is expressed as the weighted average of the ratios found at the several matching grades averaged over a 12-month period from 1 October of each year to 30 September of the following year. The margin for the 12-month period, October 1979-September 1980, arrived at using the grade equivalencies as approved by the General Assembly at its thirty-fourth session (United Nations, New York: P-1 to D-2; United States Federal Civil Service, Washington, D.C.: G-9 through GS-15, GS-17, GS-18, E-V and Senior Executive levels 3 through 6) 7/ is given below. For comparison purposes the figures for the preceding period, October 1978 to September 1979, are also shown.

6/ Ibid., para. 124.

7/ There were no matches found at GS-16 and E-IV.

	Oct 1979- <u>Sept 1980</u>	Oct 1978- <u>Sept 1979</u>
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(a) Average ratio of net remuneration at matching grades:	122.6	120.6
(b) Cost-of-living ratio New York/Washington, D.C.:	105.7	105.9
(c) Average ratio, adjusted for cost-of-living differential:	116.0	113.9

Details of October 1979-September 1980 margin calculations are shown in annex I.

92. The Commission noted that the widening of the margin was attributable principally to the fact that the increase in salaries of United States Civil Servants on 1 October 1979 had, once again, lagged behind the movement of the cost of living, although this loss in the real income of the United States Civil Servants was partly offset by the introduction of the SES rates, an increase in tax exemptions and some reduction in tax rates for the fiscal year 1979. As to the effects of the introduction of SES on the calculation of the margin, the Commission noted that the new United States system of management compensation, including SES, was still in a state of flux. Its effects on the remuneration of the United States Civil Servants at the higher levels, corresponding to United Nations levels P-5 to D-2, could not yet be determined and would probably have to be reviewed by the Commission at some time in the future. The Commission further noted that the impact on the margin of the proposals contained in the Civil Service Reform Act which allowed for the payment of additional remuneration in the form of performance awards to senior staff of the United States Civil Service as an integral part of the SES could not be assessed at this time, the reason being that some of the United States agencies were to make these payments in July 1980, whereas the remaining ones would be making them in the next fiscal year beginning 1 October 1980.

2. Weighted average of post adjustment (WAPA)

93. The Commission noted that the index of the weighted average of post adjustments (WAPA) had reached 143.6 as at March 1980. Consequently, in accordance with the mechanism established by General Assembly resolution 1561 (XV), the pensionable remuneration was raised to a level of 40 per cent above gross salary with effect from 1 July 1980.

3. Consolidation of post adjustment into base salary

Background

94. At its eleventh session, the Commission was informed that in the course of the debate on the Commission's fifth annual report in the Fifth Committee of the General Assembly a question had been asked whether the time had not come to consolidate part of the existing level of post adjustment into base salary. The Commission noted that similar views had also been expressed by the administrations and by staff representatives. It was argued that it was anomalous and undesirable that base salary should constitute, as it now did, a relatively small proportion of total remuneration - less than half of it at some duty stations - and that

reasonable remuneration should be so much higher than gross salary. It was maintained that consolidation would to some extent redress those apparent anomalies.

95. It was further pointed out that a sufficient extent of consolidation would redress the balance of the resources in the Tax Equalization Funds which the United Nations and some other organizations maintained as a means of providing funds from which income tax paid by staff members on their United Nations earnings (including post adjustment, which, however, was not subject to staff assessment) could be reimbursed without becoming a financial charge on those Member States which did not impose such taxes. The Commission noted that in 1980, for the first time in many years, the United Nations Tax Equalization Fund would fall into deficit (estimated at 13 per cent). Unless a sufficient amount of post adjustment was consolidated into base salary to replenish the Tax Equalization Fund, this deficit would, under rule 105.3 of the Financial Rules of the United Nations, be financed from the regular budget of the Organization and thus become a charge upon all Member States.

Views of the organizations and staff

96. For those reasons, CCAQ urged the Commission to recommend to the General Assembly at its thirty-fifth session the consolidation of some amount of post adjustment into base salary, with effect from 1 January 1981. Considering the conflicting needs, on the one hand, for the consolidation of as much post adjustment as possible to secure sufficient resources for the Tax Equalization Fund but, on the other hand, of avoiding that too many staff members be subjected to deductions from base salary on account of negative post adjustment classes, the organizations had concluded that consolidation should involve from 28 to 34 points 8/ of post adjustment (5 to 6 classes). The organizations maintained that consolidation should merely constitute a redistribution of the pay package from post adjustment to base salary and produce neither gains nor losses for the staff. Similarly, in order to avoid an unjustifiable increase in the levels of reasonable remuneration, staff assessment rates would have to be revised downward. CCAQ stated that consolidation on that basis would not result in any significant increase in budgetary costs.

97. FICSA also believed that the time had come for a consolidation of some five classes. However, unlike CCAQ, FICSA believed that the time had also come to increase the real income of staff in the Professional and higher categories. The representative of FICSA pointed out that such an increase had not taken place since 1975 and, because post adjustment compensated only partially for increases in cost-of-living and currency fluctuations, the purchasing power of salaries had dropped substantially. As a result of that decline, the organizations were having increasing difficulties in recruiting and retaining the staff they needed, particularly from certain countries, and some Member States had found it necessary to supplement the pay of their citizens working in the United Nations common system. That practice was contrary to the principle of equal pay for equal work, it created inequities among colleagues from different countries and it impaired seriously the independence of the international civil service. If salaries were increased, and

8/ The General Assembly by resolution 32/200, sect. II, approved a change in the operation of the post adjustment system, whereby changes in class of post adjustment are based on index movement of 5 per cent rather than of five points. The new measure went into effect on 1 July 1978.

thus became sufficiently competitive, those Member States should no longer feel the need to provide such supplements.

Views expressed by the Commission

98. Bearing in mind the situation of the Tax Equalization Fund as described above, Commission believed, without committing itself to a definite decision at that stage, that a consolidation of some 30 points (about five classes) of post adjustment, effective 1 January 1981, might well be justified. It agreed with CCAQ that that consolidation should not produce any gains or losses to the staff and therefore adopted the consolidation method recommended by ACPAQ which would produce such a result. It also agreed that the scale of staff assessment should be revised with a view to avoiding windfall increases in pensionable remuneration. To that end, it requested its secretariat to make all the necessary calculations and proposals that would enable the Commission, at its twelfth session, to decide (a) on concrete recommendations to be made to the General Assembly at its thirty-fifth session on the number of post adjustment points that should be consolidated, (b) on a revised scale of staff assessment and thus (c) on revised scales of base salaries (net and gross), post adjustment and pensionable remuneration.

Review of the results of consolidation

99. Following an examination of the report submitted by the secretariat at the twelfth session outlining the results of consolidation of 30 multiplier points of post adjustment into base pay, the Commission noted that:

(a) In order to avoid windfall gains in pensionable remuneration the staff assessment rates had to be revised downward and that the revised scale of staff assessment rates may not be in line at all income levels with changes which may have taken place in the tax rates applicable in the seven headquarters countries which had served as the basis for the existing scales;

(b) Although it had agreed to a consolidation on the basis of no loss or no gain in salaries, some gains which had resulted from rounding and the revision of the scale of staff assessment rates could not be avoided. It agreed, however, that these gains were not, in general, very significant and were temporary in nature and that the total additional costs to all organizations for the year 1981 would amount to approximately \$900,000;

(c) As a consequence of the reductions in the scale of assessments, increases in net equivalents corresponding to pensionable remuneration amounts had resulted. Since these net equivalents would be used in the calculation of separation payments, an over-all increase of approximately \$1.4 million in the amounts budgeted for separation payments by all organizations for the year 1981 should be anticipated.

100. The Commission was informed by the representative of the Secretary-General of the United Nations that the proposed consolidation of 30 points and the scale of staff assessment rates resulting therefrom would alleviate the situation with respect to the anticipated deficit in the Tax Equalization Fund of that organization, estimated for 1980 at some 13 per cent.

Conclusions and recommendations

101. The Commission agreed that consolidation of 30 points of post adjustment into base pay on the basis of no loss and no gain would redress to some extent the anomalies mentioned in paragraph 94 above but more importantly help the situation vis-à-vis the Tax Equalization Fund as outlined in paragraph 95 above and at the same time avoid subjecting too many staff members to deductions from base salary on account of negative post adjustment classes. It, therefore, agreed to make the following recommendations to the General Assembly:

(a) Thirty points of post adjustment should be consolidated into base salary on the basis of no loss and no gain;

(b) For the purposes of calculation, post adjustment indices at all duty stations as at 1 March 1980 and pensionable remuneration as at 1 July 1980 should be used;

(c) The post adjustment index effective 1 January 1981 for each duty station obtained following consolidation of 30 points of post adjustment should be used for the determination of post adjustment classification of that duty station as at 1 January 1981. (The Commission noted that this would mean that some duty stations would have partial negative post adjustment classes which is a departure from the present system. Moreover, for a small number of duty stations, post adjustment indices of less than -20 would become effective 1 January 1981, although -20 is the bottom level at the present time. Application of partial negative classes and post adjustment indices of less than -20 following consolidation is essential in order to avoid giving large increases in remuneration to staff at these duty stations.);

(d) Resulting salary scales should become effective on 1 January 1981;

(e) Pensionable remuneration, effective 1 January 1981, should be calculated based on post-consolidation gross salaries and using the method outlined in paragraphs 64-67 above.

102. Proposed salary scales (gross and net), post adjustment amounts, scales of staff assessment and pensionable remuneration amounts effective 1 January 1981 are shown in annexes II to V.

Views of the Commission on future consolidations

103. The Commission recalled that in its second annual report it had examined the reasons for consolidation and its implications ^{9/} and then recommended that one of the causes which had hitherto led to pressure for consolidation should be removed, by expressing various terminal payments in terms of "pensionable remuneration less staff assessment" rather than gross salary. That recommendation was approved by the General Assembly. As the Commission had said, "the need for consolidation would then be limited to the periodic setting of the system back in order. It would suffice to do this on the occasion of major salary reviews, when the absolute level of remuneration is being examined."

^{9/} Official Records of the General Assembly, Thirty-first Session, Supplement No. 30 (A/31/30), paras. 220-225.

104. Since the present consolidation has not been accompanied by a major salary review and is recommended primarily in view of the situation of the Tax Equalization Fund, some members of the Commission expressed serious concern that the equilibrium of the Fund depended exclusively on the value of staff assessment and therefore on periodic consolidations. They pointed out that replenishing the Fund in that way could lead to imposing additional financial burdens on the majority of Member States who did not tax their nationals working in the United Nations, in order to meet the consequences of the actions of the very few States who did so. At the request of those members, the Commission agreed to undertake a study of the issue and particularly to examine whether there might not be means of dealing with the situation other than by using staff assessment and a Tax Equalization Fund. It, therefore, requested its secretariat to prepare a study on the issue for consideration by the Commission at its fourteenth session.

105. Some members of the Commission were of the opinion that, whatever solutions might be envisaged in connexion with paragraph 103, a scale of staff assessment would still be needed in order to determine gross salary, which in turn provided the basis for determining pensionable remuneration. It was important that the scale of assessment should be directly linked to the average tax rates of the seven agency headquarters countries (or possible with the average United States tax rates alone). The scale proposed for 1 January 1981 (cf. annex IV) was simply the result of applying a mathematical formula - a step necessitated by a consolidation scheme based on the "no gain, no loss" principle. The Commission was of the opinion that arrangements should be made to bring the scale of staff assessment up to date in the near future so as to give it back its true meaning.

4. Methodology for comparison of total compensation

106. The Commission recognized, at its third session, that, for the purposes of the application of the Noblemaire principle, the comparison of the United Nations remuneration of the Professional and higher categories with that of the selected comparator national civil service should be made in such a way as to take into account all elements of compensation and not just the net salaries as has been the practice. The Commission therefore stated its intention to devise a method for making the comparison in terms of "total compensation" and this intention was endorsed by the General Assembly. 10/ In its search for additional information on the subject, the Commission employed a consulting firm (Hewitt Associates) to prepare a study on the subject, the results of which were examined by the Commission at its sixth and seventh sessions. In the meantime the Commission was informed that the United States Federal Civil Service Commission and the Canadian Government were engaged in studies aimed at developing a method of total compensation comparison for the purpose of fixing compensation of their respective civil service employees. The Commission decided to await the results of the studies by these Governments in the hope that their experience might be useful to the Commission in its own search for a methodology for total compensation comparison.

107. At its eleventh session, the Commission examined the methods adopted by the United States Federal Civil Service Commission and the Government of Canada and it agreed that these methods were designed for total comparison within a national context and would need to be adapted for application in an international

10/ Ibid., para. 131, and General Assembly resolution 31/141.B, II, para. 2.

environment. Furthermore, although the Commission envisaged the use of its own method in comparing the levels of compensation of civil services in different countries in order to determine which should be taken as comparator, it decided to restrict itself at this stage to making the comparison of remuneration of the United Nations common system with that of the United States Civil Service, i.e., the current comparator, in terms of total compensation. It, therefore, requested its secretariat to identify, for its twelfth session, the elements of compensation to be taken into account on both sides.

108. Following an examination of this list of elements, the Commission, at its twelfth session, decided to make the following two comparisons in terms of total compensation:

- (a) Excluding expatriation benefits on both sides;
- (b) Expatriation benefits on both sides.

It requested its secretariat to collect, between now and its thirteenth session, as much data as is available on all applicable elements of compensation from the United States Government. The Commission would then aim for a detailed total compensation comparison to be completed in 1981 in time for submission of the results, together with any pertinent recommendation, to the General Assembly at its thirty-sixth session.

5. Methodology for identifying the highest paid civil service

109. The United States Federal Civil Service has been used as the "comparator" under the Noblemaire principle for determining the salaries of the United Nations common system staff in Professional and higher categories for over 30 years. Doubts have been expressed for a considerable period of time as to whether the present comparator is still the highest paid civil service. In its second annual report the International Civil Service Commission (ICSC) had expressed its consensus that it had found no evidence to justify a search for another comparator. 11/

110. Since then, doubts have continued to be expressed both in the Commission's debates and in those of the Fifth Committee of the General Assembly as to the validity of the assumption that the United States Federal Civil Service is still the highest paid civil service. The Commission, at its ninth session, agreed to study this question in due course and requested its secretariat to prepare a study on the methodological aspects of such a study. In response to that request, the secretariat submitted to the Commission at its tenth session a note outlining the preliminary considerations relating to a study leading to the identification of the highest paid civil service.

111. Additional data showing, inter alia, the decline in real income of the United States Civil Service and the evolution of the salaries of the staff in Professional and higher categories of the United Nations common system as compared with those of the national civil services of the seven headquarters countries was presented to the Commission at its eleventh session. Following its examination of

11/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 30 (A/31/30), para. 131.

this data and after having heard the views expressed by the organizations and staff, the Commission agreed that the time had come to undertake a study which would lead to the identification of the highest paid national civil service.

112. The Commission, therefore, decided that the best way to proceed would be to take one step at a time and that for the present it would restrict itself to a pilot study involving the United States Civil Service and only one other country. Since one of the main arguments which prompted the Commission to make the study in the first place was that some of the countries paid salary supplements to their nationals to accept positions with the United Nations common system, it would be logical to choose one of these countries for the pilot study. Being aware of the existence of national legislation enacted by the Federal Republic of Germany, Japan and the United States of America, which allowed these countries to make supplementary payments to their nationals working for organizations of the United Nations system ^{12/} the Commission decided that the Federal Republic of Germany should be used for comparison with the United States Civil Service in the first instance. The Commission, therefore, requested its secretariat to collect all data that may be relevant to the pilot study and submit a progress report for the Commission's consideration at its twelfth session.

113. Following an examination of the data, the Commission, at its twelfth session, requested the secretariat to submit at its thirteenth session a progress report on the subject containing the following information relating to the civil service of the Federal Republic of Germany:

- (a) Details concerning the establishment of grade equivalencies;
- (b) Details concerning remuneration and other conditions of employment;
- (c) Details concerning all benefits relevant to the present study which are available to all citizens of the Federal Republic of Germany, including the civil service within the framework of the social policies programmes of that country;
- (d) Preliminary analysis of some of the non-salary benefits;
- (e) Any additional data that may be relevant to the study.

114. The Commission agreed that the comparison of remuneration at matching grades between the civil services of United States and Federal Republic of Germany would be made in two stages, firstly a comparison would be made between the remuneration of the United Nations staff in the Professional and higher categories in New York with that of the officials of the Federal Republic of Germany in Bonn. In the second stage, the results of the United Nations/Federal Republic of Germany comparison would be compared with those obtained from the United Nations/United States comparison made by the Commission for the purpose of the determination of the margin. The Commission further agreed to make this final comparison at its thirteenth session following an examination of the data presented to it by the secretariat with a view to completing the study at the fourteenth session, when the Commission would draw conclusions from it and report to the General Assembly on its findings.

^{12/} Ibid., Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), para. 128 and annex VII.

10. Review of supplementary payments made to international civil servants of certain nationalities by their Governments

115. In 1979, the Commission had reviewed the general nature of supplementary payments made to international civil servants of certain nationalities by their Governments and reported the matter to the General Assembly at its thirty-fourth session noting its intention to keep the matter under review. 13/

116. The Commission reviewed the practice again during 1980, firstly at its eleventh session in connexion with its study on the development of a methodology for identifying the highest paid civil service. At that time, both CCAO and FICSA believed that it had become urgent to verify the proposition that the United States Civil Service might no longer be the best-paying civil service in the world, stating as evidence the fact that some Member States had felt the need to supplement the pay of their nationals serving in the United Nations common system who might otherwise not accept employment in the system. Many members of the Commission raised doubts as to the need for such an exercise considering that it was unlikely that the levels of pay in any reasonably large civil service had overtaken that of the United States, even though there was evidence that some might have caught up with it. However, the Commission confirmed that the study should be made, starting with a pilot study with the Federal Republic of Germany since it was one of the countries which paid salary supplements to their nationals.

117. The Commission reviewed the practice again at its twelfth session, on the request of the Administrative Committee on Co-ordination, which had taken up the subject at its first regular session in 1980 on the basis of a note prepared by the Secretariat. Following its examination of the question, ACC had recommended

that the organizations represented in ACC should report:

"(a) Any information that any of them may have concerning governmental payments to international officials;

"(b) The texts of any of their legal instruments relevant to governmental payments to their officials;

"(c) Any steps may have been taken in relation to governmental payments or offers of payments to their officials;

"... that ACC request the International Civil Service Commission to:

"(a) Undertake a comprehensive review of the conditions of service of international staff, bearing in mind the requirements laid down in paragraph 3 of Article 101 of the Charter and taking into account the application of the Noblemaire principle and its effects;

"(b) Examine the supplementary payment schemes adopted by certain Governments in respect of some of their nationals serving with United Nations organizations, in order to determine whether or not they conform with the underlying principles governing the employment of international staff;

"(c) Report its findings and submit recommendations to the General Assembly." (ACC/1980/19/Rev.1, paras. 12-13).

13/ Ibid., paras: 127 and 128.

118. The representative of CCAQ reported on the information provided by the organizations in response to the first part of the ACC decision. All organizations but one reported that they had no knowledge of payments actually made by Governments to staff members who were nationals of any of the three countries concerned (Federal Republic of Germany, Japan, United States of America). All organizations considered that the existing provisions in their constitutional instruments and staff regulations provided a clear and sufficient basis for dealing with the matter. Several organizations had recalled to staff members, either in general by a circular or individually by letters, that it would be an infringement of the staff regulations if they were to accept remuneration from any source external to the organization. In so far as the measures authorized by the legislation of the three countries in question were designed to compensate officials seconded from their national civil service (or, in some cases, other persons) for any shortfall of their United Nations remuneration compared with that they would have received if assigned to similar functions in the same place by their own Government CCAQ believed that a prima facie doubt was created as to the adequacy of United Nations remuneration in those particular situations. The Commission kept regularly under review the adequacy of United Nations remuneration by the accepted standard, that of the Noblemaire principle, and CCAQ trusted it would continue to do that. It urged the Commission to keep under study the matter of supplementary payments, as requested by ACC, and to state in its annual report that it was doing so, as advance notice to Governments that their practices were scrutinized. Should it deem it necessary, the Commission should also collect information about similar practices of other Governments. When all the information obtained had been analysed, the Commission might be in a position to present recommendations to the General Assembly.

119. The representative of FICSA reiterated FICSA's position that the practice was becoming ever more frequent and result in discriminatory levels of pay of international civil servants by nationality, contrary to the staff regulations. He emphasized that the national legislation authorizing such payments referred to lower emoluments of international civil servants than of comparably placed national civil servants and thus to their necessity in order to encourage recruitment of nationals, from which the conclusion must be drawn that the emoluments of the international civil service were no longer sufficiently attractive to permit recruitment and unrestricted assignment to any duty station of competent nationals from all Member States. The method of payment was of no importance; the payments themselves were the issue. For the organizations to enforce the staff rules prohibiting staff members from receiving such payments would not solve the problem but merely inhibit recruitment from the countries concerned. He pointed out that Governments opposed to salary increases included some of the same Governments making supplementary payments to their own nationals.

Findings of the Commission

120. In view of the reasons advanced for the making of supplementary payments and the interventions heard from CCAQ and FICSA, the Commission wished to bring to the attention of the General Assembly and of ACC that since its creation the Commission had been in the process of comprehensively reviewing the conditions of service and in particular the levels of remuneration of the international civil service. This was one of the Commission's primary responsibilities, and while it was in the process of conducting a study to ensure that the highest paid national civil service continued to be used as comparator there was no evidence at present to suggest that the remuneration of international civil servants was by any means inadequate.

There was thus no economic justification for supplementary payments to be made by any Member State to its nationals serving in the organizations of the common system or upon departure from such service.

121. The Commission noted that whereas it was aware of the practice of the three Governments concerned by virtue of public law it did not know or have any means of knowing what emoluments or other benefits were given by other Governments to their nationals serving as international civil servants short of such practice being made public by the Governments concerned. The Commission, therefore, wishes to recommend to the General Assembly that it should call to the attention of all Member States that the practice of making supplementary payments of whatever nature to nationals while serving or in relation to their having served as international civil servants in the organizations of the common system was unnecessary, inappropriate and undesirable. Such payments were, moreover, inconsistent with the provisions of staff regulations and made it difficult for both organizations and staff members to ensure that such regulations were respected and enforced.

122. The Commission, in recommending this action to the General Assembly, reaffirmed the necessity of maintaining secretariats of the highest impartiality, integrity and independence. Article 100, paragraph 2, and Article 101, paragraphs 1 and 3 of the Charter of the United Nations should be respected by all parties.

123. The Executive Secretary should inform the Commission at its thirteenth session of developments with respect to this matter.

B. Review of the functioning of the post adjustment system

124. The Commission considered, at its eleventh session, a document prepared by its secretariat which recalled the General Assembly's request in its resolution 34/165 for a comprehensive review of the purposes and operation of the post adjustment system. It heard the views of representatives of CCAQ and FICSA, and after discussion concluded that, given the complexity of the matter, a complete review would be impossible, in time for the thirty-fifth session of the General Assembly. It decided therefore to take a phased approach towards identifying problems and finding solutions for them.

125. The first step decided on was to provide the General Assembly at its thirty-fifth session with an explanation of the principles, purposes and present operation of the system, outlining its complexities and pointing out differences between the scope of post adjustment and that of similar systems used by national civil services for compensating their personnel abroad. A document prepared with the object of providing such an explanation was before the Commission at its twelfth session. The explanation and description of the system, as approved by the Commission, for transmittal to the General Assembly, is given in annex VI.

126. At its eleventh session, the Commission had further decided that, as a first phase in identifying problems, certain issues in connexion with the system should be studied on a priority basis. Areas mentioned were possible distortions in high cost-of-living areas, the problem of out-of-area commitments particularly for staff assigned to low cost-of-living areas, and the treatment of pension contributions as a part of post adjustment. Some other issues, such as possible distortions in low cost-of-living areas, the question of the possible exclusion of housing costs from post adjustment and some issues raised by FICSA, were assigned lower priority.

127. The matter was also placed on the agenda of the Commission's Advisory Committee on Post Adjustment Questions for its consideration and recommendations.

128. The issue of a possible separation of the inflation and currency elements in the post adjustment index had also been raised at the eleventh session. Since in 1975 and 1976 proposals from UNESCO and GATT concerning this matter had been put forward, these organizations were requested to provide to the twelfth session details of what the effect of these proposals would have been had they been in force in recent years. This information, as submitted by GATT, was also before the Commission.

129. The report which had been prepared by the secretariat also included a chapter in response to the Commission's request to the secretariat to study the issues of possible distortions of post adjustment at the extremes of the range of post adjustment classifications, the problem of out-of-area commitments in low-cost areas and the question of inclusion of pension contributions. These problems, in so far as they fall within the proper sphere of action of the post adjustment system, were found by the secretariat to be related among themselves and to involve also some problem areas scheduled by the Commission for investigation during the next phase.

130. Possible modifications of the system which would eliminate some causes of distortions at the extremes and would remedy the existing difficulty in the relationship between post adjustment and pension contributions were described and illustrated.

131. With respect to the long-standing problem of the difficulties of staff in low-cost areas who have out-of-area commitments in higher-cost areas, it was pointed out that little could be done through post adjustment since this is a problem of differences in the situations of individual staff members who come from different home countries but are assigned to the same duty station, while post adjustment operates on the basis of the average situation of all staff assigned to the location. Consumption expenditures of staff outside their duty station are already included in post adjustment, mainly by utilizing an index of the movement of average world-wide prices in dollar terms which goes some way towards reducing this problem.

132. Differentiating among individuals, however, is not a problem suitably addressed through the post adjustment system since the latter exists to equalize purchasing power among duty stations while this problem relates not to the cost of living in the country of assignment, but to the exchange rates of the countries in which individual staff members have out-of-area commitments of whatever nature.

133. There exists another category of disposal of income not envisaged in post adjustment calculations, namely, staff members' savings which are also related to the problem of out-of-area commitments. It was felt that the concept of savings (as distinguished from deferred consumption expenditures) was not clear and that the functioning of the post adjustment system in this respect required further study.

134. A method was also presented for including pension contributions in post adjustment indices directly, thus taking into account the fact that these contributions now vary in level while salary levels remain unchanged. The inclusion of these contributions in the index would entail the removal of the

regressive character of the present table of post adjustment amounts per index point, as this stems from the fact that the uniform percentage of gross salary paid as pension contribution at all salary levels forms a progressively larger percentage of net salary at higher grade levels, the remaining net income subject to post adjustment being therefore a smaller percentage.

Views of CCAQ and FICSA

(a) Concerning the description of the post adjustment system for the General Assembly

135. The Chairman of CCAQ noted that the document to be presented to the General Assembly as a progress report should be a purely descriptive and factual account of the existing system and clearly distinguished from any proposals which the Commission might decide to submit for modifications. Some paragraphs of the descriptive portion of the secretariat paper were mentioned as going beyond factual description and some redrafting was suggested.

136. CCAQ agreed that one of the main reasons for not fully compensating increases in cost of living is that pension contributions are an invariable cost not affected by local cost of living. However, CCAQ could not share the view that, since post adjustment existed to produce equal real incomes in all duty stations, the regressive element in post adjustment amounts to reflect the progressive nature of income tax in the outside world was irrelevant; post adjustment indices reflected not only place-to-place comparisons, but also time-to-time differences in cost of living for which the progressive nature of income tax was relevant. This reason for regression in post adjustment amounts should not be discarded without careful analysis.

137. The representative of FICSA associated himself with the view of CCAQ that the document to describe the post adjustment system for the General Assembly should be factual and descriptive, and felt that some of the commentary introduced into the first 60 paragraphs, while suitable for the Commission, should not go to the General Assembly. He also felt that the document should include an expanded description of the role of ACPAQ and of the ICSC secretariat itself in the operation of the post adjustment system, to give the General Assembly a better grasp of the amount of work required to operate post adjustment, particularly in view of the consensus of the Commission's eleventh session that more resources were required for the Cost-of-living Section.

138. FICSA also thought that a layman's description of the nature of the various indices used in the system should be included in the document, and that the explanation of place-to-place and time-to-time comparisons should be expanded, particularly with respect to data collection and types of surveys carried out.

(b) Concerning the study of specific problems

139. It was the view of the representative of CCAQ that neither the inclusion of pension contributions in the post adjustment index nor the exclusion of private savings from the operation of the system was ripe for submission to the General Assembly at this stage.

140. With regard to pension contributions, CCAQ felt that the idea merited examination and that the secretariat of the Commission and ACPAQ should carry out

further studies. Concerning the treatment of private savings, doubt was expressed that the concept that savings are a proportion of income was a proven universal phenomenon. It was also noted that savings could be seen as deferred expenditures and thus affected by changes in the cost of living.

141. The FICSA representative agreed that the inclusion of pension contributions in post adjustment indices was feasible and would probably be beneficial but would like to see the method further studied and illustrated with actual indices to show the degree to which extremely high or low post adjustment indices would be brought nearer to the middle range. In respect to the matter of the treatment of private savings, FICSA gave this a low priority. Concerning the matter of a separation between the indices reflecting relative costs of living and the effect of changes in exchange rate, FICSA would like to see the results of the proposal as applied elsewhere than in Geneva, since the Geneva syndrome was not the only situation to be considered.

Conclusions of the Commission

142. The Commission took note of the comments of the representatives of FICSA and CCAQ and those of ACPAQ at its fifth session. It examined and accepted the recommendation by ACPAQ that a special working group of ACPAQ should be established to undertake studies for improvement of the methodology for cost-of-living measurement and its findings reported to a special session of the Committee.

143. The working group of ACPAQ would be a purely technical body assisted by experts thoroughly acquainted with the subject-matter and including some experts to be proposed by CCAQ and FICSA. It would be set up at a date and place to be determined in consultation with the parties concerned and its findings should be reported to ACPAQ at an extended regular session to be held in 1981. The results of ACPAQ's study based on the work of its working group would be submitted to the Commission at its fourteenth session.

144. The Commission considered the question of the date, place and agenda of the next (sixth) session of ACPAQ. It decided in principle that the Committee meet in May 1981 for an extended session at a place to be determined and that the following items be provisionally included in its agenda:

(a) Consideration of the report of the working group set up to review the methodology for cost-of-living measurement;

(b) Report on the out-of-area progression factor.

145. The final agenda of ACPAQ would be determined by the Commission at its thirteenth session.

C. Operation of the post adjustment system

146. The Commission has continued to perform the function entrusted to it under article 11 (c) of its statute, of establishing the "classification of duty stations for the purpose of applying post adjustments". After extensive investigation under the aegis of the Commission's Advisory Committee on Post Adjustment Questions (ACPAQ), the Commission decided to reduce the post adjustment index for Geneva by one class from its October 1979 level, which was 244.1 at the exchange rate of

SwF 1.69 to the US dollar. The new index for October 1979 would then become 232.5 at the same exchange rate. The old index would remain frozen until the new index reached 244.1. Thereafter, customary updating procedures would recommence. Adjustment for currency fluctuations would continue without interruption, as heretofore.

147. It was the understanding of one member that, as circumstances surrounding the Geneva/New York cost-of-living survey made it difficult to accept the result with any degree of certainty, the above formulation did not ascribe any figure as a result of the survey.

148. The movements of the classification for purposes of post adjustment of all duty stations are notified to all organizations of the common system by means of monthly circulars issued by the Chairman acting under the authority delegated to him by the Commission. (Similar circulars announce changes in the rates of daily subsistence allowances, established by the Commission under subpara. (b) of the art. 11 (c).)

D. Review of the education grant

Background

149. The Commission recalled that when it had last addressed itself to the question of the scale of reimbursement of educational expenses to eligible staff members under the provisions of the education grant its recommendations 14/ were based, inter alia, on the consideration that system-wide reimbursements would amount to some 73 per cent of total costs incurred by eligible staff.

150. At the thirteenth session of the Commission, FICSA presented a proposal as summarized below:

I. Maximum amount

- (i) The reimbursement scheme should be adjusted as follows to take account of the rise in school fees since the Commission last increased the education grant and of increases already known for some schools for 1980-1981:

Cost up to \$US 3,500	75 per cent	\$US 2,625
Costs from \$US 3,501 to \$US 4,500	50 per cent	\$US 500
Costs from \$US 4,501 to \$US 5,000	25 per cent	<u>\$US 125</u>
		<u>\$US 3,250</u>

These dollar amounts are predicated on the continued use of 1 January 1977 exchange rates of local currencies to the dollar, except where the current exchange rate would yield a higher local currency amount.

14/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 30 (A/31/30), para. 292.

- (ii) The amount for boarding should be increased from \$US 750 to \$US 1,200. Considering that the grant for boarding was raised by only \$US 100 in 1977, FICSA believes that a substantial increase is now long overdue.
- (iii) The executive head should be given the authority to pay a grant higher than the maximum in exceptional cases. Authority should be given to pay up to \$US 4,000.
- (iv) The Commission should review each year whether the grant should be increased on the basis of some readily available information on fees of those schools most commonly used by children of staff members. The exact modalities of gathering this information should be decided on by the Commission.
- (v) At regular intervals (i.e. every three or four years) the Commission should make a thorough review of the level of school fees and make the necessary adjustments in the grant.
- (vi) The education grant for disabled children should be adjusted accordingly, i.e. to 75 per cent of a maximum of \$US 5,000 (resulting in a maximum grant of \$US 3,750).

I. Extension of the education grant

FICSA requests the Commission to review the extension of the grant to staff who are not entitled to it now (locally recruited General Service staff and professional and higher category staff in their home country) with a view to removing existing inequities.

Views of the organizations and the staff

151. CCAQ stated that it did not have definite views on I (i) and II above, although some members of the Committee felt that the time might have come to redress the situation of the reimbursement scheme in the face of increases in educational expenses, while others felt that further studies should be undertaken. CCAQ also felt that it could not agree with the proposal under I (iii) above. It did, however, agree with the idea of establishing a regular procedure to maintain school fees and the related provisions of the grant. The Committee also provided additional data on educational expense brackets and grants paid in 1979 by all organizations.

152. FICSA, in elaborating on their proposal, drew attention to the significant shifts which had occurred between 1976 and 1979 as borne out by the following statistics:

Total cost \$US	1976		1979	
	No. of grants	per cent	No. of grants	per cent
Up to 2,000	10,650	80.7	9,724	60.8
2,001-3,000	2,010	16.8	3,475	21.8
3,001-4,000	226	1.7	1,832	11.5
Over 4,000	<u>107</u>	<u>0.8</u>	<u>950</u>	<u>5.9</u>
	<u>13,193</u>	<u>100.0</u>	<u>15,921</u>	<u>100.0</u>

Given the present structure of reimbursement rates, i.e. 75 per cent on the first \$2,000 and 50 or 25 per cent of the next and subsequent \$1,000 respectively, it can thus be seen that the increases in school fees and other educational expenses have resulted in an over-all drop in reimbursements.

Consideration by the Commission

153. The Commission then carried out an analysis of data submitted by FICSA, supplemented by additional information obtained from CCAQ which revealed that the system-wide situation in 1979 was as follows:

Estimated total educational cost incurred by staff members eligible to reimbursement under the provisions of the grant - \$34,496,000;

Estimated total payments reimbursable in accordance with existing provisions of the grant - \$23,059,000 (66.8 per cent)

154. Using the same data base the Commission then investigated ways and means on how to achieve an interim solution which would bring about approximately the same over-all reimbursement percentage, i.e. 73 per cent (see para. 149 above) which the Commission had considered adequate on the occasion of its last review. In this respect, the Commission aimed at reducing the financial implications of the FICSA proposal, which, it was informed, if applied to 1979 would have meant higher reimbursements estimated at \$25,360,000 which would have meant an increase of some \$2,300,000 or some 10 per cent, which would have raised the over-all reimbursement ratio to above 73 per cent.

155. Having set these parameters, a formula was arrived at which kept this ratio to some 72 per cent and details thereof are contained in the recommendation below. The Commission also agreed to keep this matter under review at three-year intervals.

156. The Commission thus decided on the following recommendations to the General Assembly at its thirty-fifth session:

(a) The percentages of approved costs reimbursable under the provisions of the grant should be 75 per cent up to the first \$3,000; 50 per cent for costs between \$3,001 and \$4,000; and 25 per cent for costs between \$4,001 and \$5,000; subject to the provision that in respect of disabled children 75 per cent of approved costs up to \$5,000 should be reimbursable;

(b) The flat amount payable for boarding costs should be increased from \$750 to \$1,100.

(c) The currency floor as established in 1977 to be maintained without change.

157. The cost of these recommendations is estimated at \$1.8 million per year for all organizations and all sources of funds.

158. Two members of the Commission felt that this matter should not be considered now, because the issue of total compensation has not been resolved and this was not the biennium budget year.

CHAPTER V

CONDITIONS OF SERVICE OF THE GENERAL SERVICE CATEGORY

159. The Commission recalled in its fourth annual report 15/ that, in view of the General Assembly's request in paragraph 5 of section III of its resolution 32/200 that the Commission advance to 1980 its next survey in Geneva and judging it desirable that before making a second survey in Geneva it should complete surveys in the other headquarters duty stations so as to draw whatever conclusions might be possible from them regarding the general principles of methodology for such surveys, it had agreed upon an accelerated time-table by which it would carry out all the remaining surveys by 1980.

160. As will be seen from the following sections, the Commission has indeed completed surveys in New York and Rome as well as its second survey in Geneva. With the previous surveys conducted by the Commission, and bearing in mind that a survey was carried out in Vienna by the International Atomic Energy Agency in co-operation with the United Nations before the Agency accepted the Commission's statute, the first round of surveys in headquarters duty stations has been completed.

161. Given the heavy concentration of salary surveys, the Commission has been able to make little progress in attempting to draw up a general methodology which would revise or replace the 1964 "Guiding Principles". This study will be continued in 1980 and taken up by the Commission at its thirteenth session.

A. Salary scales of staff in the General Service category in Geneva

162. In its fifth annual report, 16/ the Commission informed the General Assembly of the preparations for a second survey of best prevailing conditions of employment for the General Service category in Geneva. In accordance with the decisions taken by the Commission at its tenth and eleventh sessions, data on best prevailing conditions of employment in Geneva were collected between 17 April and 31 May 1980 by two survey teams, each headed by a member of the Commission's secretariat and including members from the Geneva administrations and staff. At its twelfth session, the Commission examined the data and heard the views of the representatives of the administrations and staff of the Geneva-based organizations.

163. A group of 45 employers was contacted, drawn from the list approved by the Commission at its eleventh session. The selection of employers was based on the joint proposal of the staff and administration representatives following a

15/ Ibid., Thirty-third Session, Supplement No. 30 (A/33/30), paras. 298-301.

16/ Thirty-fourth Session, Supplement No. 30 (A/34/30), paras. 163-165.

preliminary inquiry, to which the Commission added four employers after consulting with the staff and administration. Of 36 employers participating in the survey, the Commission excluded 8, on the grounds of insufficient data.

164. Of the 13 jobs surveyed, the Commission eliminated two because of insufficient data. Representatives of administration and staff were in agreement with their exclusion. The remaining 11 jobs covered 5 grades and represented 44.3 per cent of the total workforce of the Geneva General Service. The Commission had difficulty in accepting proposals for a variety of corrective factors for alleged differences between inside and outside jobs. The Commission was satisfied that the survey teams had not retained data for outside jobs which were not comparable with those of the organizations, especially after evidence had been presented on the degree of selectivity followed by the survey teams. It did, however, agree that on an exceptional basis the issue of differing language requirements would be the subject of a minor adjustment.

165. The Commission also decided that an employer could only be retained for the analysis if data were provided for at least one job with at least four employees or, alternatively, at least two jobs with a minimum of two employees per job; and that data provided by an employer for a given job might not be included if it represented less than two matches for that job. The Commission reviewed other proposals for excluding certain data but found insufficient grounds for either excluding or correcting the data provided by the employers.

166. The data collected on salaries and age, sex and seniority, of the employees in comparable jobs related to 1 March 1980. The Commission agreed to proceed with the analysis on the basis of individual or average salaries. The Commission decided to add to salary a number of cash bonuses and allowances paid by some of the employers. It took note of additional benefits offered by some employers to their employees, such as financial assistance in the form of low-interest loans and high-interest savings accounts, concessional air travel, reduced rate for insurance policies, etc., but it concluded that none of these benefits justified any further adjustment to salaries, particularly when account was taken of the fact that leave provisions among the organizations were more generous, on the whole, than outside.

167. The Commission reconfirmed its decision, taken at the eleventh session, to request University of Geneva's "Centre d'étude de technique et d'évaluation législatives" (CETEL) to undertake a study on the extent of differentiation in Geneva in the remuneration paid to men and women for work of equal value. In the meantime, the Commission decided, after hearing the views expressed by the administrations and staff, that the application of the same 8 per cent adjustment to salary data as was made in 1977 was the soundest approach for the time being for dealing with the differentiation in salaries paid to men and women. This would apply only to the female employees in the "typically" female jobs; otherwise, for the male and mixed jobs, the Commission utilized the salaries of male employees only. Once the results of the University study were available, the Commission would review the question once again to see at that time what action was required.

168. The Commission agreed on the importance of a job-by-job approach to the analysis of data, since it respects the requirement of competitiveness for the recruitment and retention of staff in each of the occupations and for each job. While recognizing the merits of the average of above-average salary approach which is also done job by job and recalling its use in recent surveys in New York and

Montreal, the Commission nevertheless decided to apply the 75th percentile of individual salaries, as it had done for the 1977 survey in view of the fact that data on individual salaries were available. Since the analysis was based on individual data, the Commission needed to determine if the results were being dominated by one or more very large employers. It noted that one employer accounted for 27 per cent of the salary data and was by far the largest employer in the survey, but since that employer did not affect adversely the survey result it decided to make no correction for dominance.

169. The outside matching salary for each of the grades G-2 to G-6 covered by the survey was determined as the average of the matching salaries for the job corresponding to each grade, weighted by the number of General Service category staff at Geneva in each job, and the rates thus obtained were netted down by application of the current cantonal schedule of taxes withheld at the source.

170. The Commission found that there were two basic features of the current scale which required correction: excessive overlap between grades which was contributing to crowding of staff at the top of the scale and affecting staff morale; and lack of uniformity in grade intervals and percentage step values within grades. These same deficiencies were reviewed by the Commission following the 1977 survey, at which time it was able to introduce some improvement in the intervals between grades and in the step values while recognizing that little could be done then about the excessive overlap between grades. The Commission, at its twelfth session, considered it desirable to correct the existing weaknesses in the profile of the scale, to the extent possible.

171. The Commission constructed the scale in net terms with due regard to step values, grade intervals and overlaps, using as internal matching points step 4 at G-2, step 4.5 at G-3, step 5.5 at G-4, step 6 at G-5, and step 6.5 at G-6. The Commission selected a set of values at step VI of the grades which would allow for an improvement in the scale, in terms of overlaps and uniformity of percentage step values and within-grade intervals while at the same time respecting the over-all survey results as closely as possible. It then constructed the salary scale in gross terms by reverse application of the existing scale of staff assessment for General Service. For this purpose, the Commission took, as the rate of exchange, the average of the rates of exchange during the 12 months preceding March 1980, i.e., SF 1.65 to \$US 1.00.

172. The resulting scale of gross and net salaries, reproduced as annex VII to the present report, was recommended by the Commission as reflecting adequately the best prevailing conditions and salaries for the General Service category in Geneva as at 1 March 1980. The resulting over-all weighted average increase in salaries at step VI of the scale was 6 per cent net in relation to the 1 January 1980 scale.

173. The Commission recommended that the net salaries should be updated by the net equivalent of the evolution of the Geneva Consumer Price Index from February 1980 to the month preceding that in which the revised scale would be implemented. This method of updating would be consistent with the method of adjusting salaries between surveys, also recommended by the Commission.

174. The Commission decided to recommend the use of the Geneva CPI for the purpose of interim salary adjustments. It also recommended that the interim adjustments should be effective on the first day of the month following that when the index

reaches 5 per cent or more in relation to its level during the month preceding the last adjustment, or after 12 months, whichever occurs first. The Commission confirmed that the full index movement should not be applied to net salaries since that would disregard the impact of tax progression. The Commission decided to recommend that the impact of the tax progression should be determined at a point midway through the scale and the resulting net equivalent of the CPI movement would be applied to all net salaries, as a single percentage value.

175. In a related issue, the Commission reviewed recent developments regarding the adjustment as at 1 January 1980 to the salary scales. It decided to recommend that an additional 0.7 per cent, based on the movement of the OFIAMT salary index, should be applied as a further adjustment to the scale, above the 2.3 per cent already recommended, effective 1 January 1980.

176. In compliance with its mandate under article 11 (b) of its statute, the Commission also considered the level of dependency allowances. Taking into account the appropriate tax abatements, the legal dependency allowances available to outside employees and those additional payments of family allowances by some outside employers, the Commission established a revised scale of dependency allowances to be introduced concurrently with the revised scale of salaries.

177. The findings, conclusions and recommendations were set out in detail in a report presented to the Executive Heads of the Geneva-based organizations. The Commission expects to inform the General Assembly, in its next annual report, on the action taken on its recommendations.

B. Salary scales of staff in the General Service category in Montreal

178. In its fifth annual report, ^{17/} the Commission informed the General Assembly of the survey it had conducted of best prevailing conditions in Montreal, and of its resulting recommendations to the Secretary-General of the International Civil Aviation Organization (ICAO). The Secretary-General of ICAO subsequently informed the Acting Chairman that he had proposed to the ICAO Council, which in turn had accepted, the adoption of the Commission's recommendations, with one exception, regarding the revised salary scales and method of interim adjustments of salaries. The scales were implemented with retroactive effect to 1 April 1979, together with the revised rates of dependency allowances.

179. The exception taken to the recommendations of the Commission concerned the implementation of the new gross salary rates proposed by the Commission the determination of which represented a departure from previous ICAO practice. The Commission, at its tenth session when reviewing the survey results and reaching its conclusions, had been informed that in converting net salaries to gross, by application of the rates of staff assessment, ICAO had always used a constant rate of exchange of \$Can 1 to \$US 1, irrespective of the actual rate. The Commission had concluded that the actual rate of exchange (in force in April 1979) should be used in conformity with the practice elsewhere. In order to protect acquired rights of the staff, it had recommended, as a transitional measure, that gross salaries at

^{17/} Ibid., paras. 146-154.

four particular points of the scale, which would otherwise have declined, should be maintained at their current levels until the next salary adjustment. At that session, the representatives of the Secretary-General and of the staff of ICAO had not had an opportunity to present their views on this particular aspect of the Commission's report since they had left New York before the point was taken up by the Commission.

180. At its eleventh session, the Commission was informed that the representatives of the ICAO staff had objected to this particular recommendation and the Council of ICAO, through the Secretary-General of the organization, requested the Commission to reconsider the matter. In the meantime, ICAO was continuing to apply, unchanged, its system of computing staff assessment, and hence pensionable remuneration. During its eleventh session, the Commission heard the views expressed by the representatives of the Secretary-General and of the staff of ICAO.

181. The Commission noted that it was not argued that the grossing-up method applied by ICAO was technically sounder than that applied everywhere else in the common system. The issue centred rather on the desire to protect the level of pensionable remuneration, and thus of pensions, which the older members of the staff, conscious of the grossing-up method applied so far, could anticipate during their final years of service with the organization. In other words, the transitional measures recommended by the Commission at its tenth session whereby nowhere in the scale would pensionable remuneration actually decline as a result of the change in method, protected the "acquired rights" of the staff; they did not take into account the levels of pensionable remuneration which the staff might expect to reach in application of the ICAO method of calculation, i.e., what had been called the staff's "acquired expectations". The representatives of the Secretary-General and of the staff were in agreement in urging that the Commission recommend transitional measures that would respect these latter expectations.

182. At the outcome of its deliberation, the Commission unanimously concluded that the method of computing staff assessment and pensionable remuneration applied at all duty stations throughout the world, except in Montreal, was technically the proper one to apply. Since the universal scale of staff assessment was, by necessity, expressed in a single currency, namely, the United States dollar, it was essential that net salaries expressed in local currency be first converted into United States dollars before staff assessment could be applied to them to arrive at gross/pensionable remuneration. The Commission therefore urged the Secretary-General and the Council of ICAO to recognize, as a matter of principle, that sooner or later this grossing-up method had to be adopted for the General Service category in Montreal.

183. With regard to the issue of transitional measures, the Commission noted that under article 26 it was required to take into account in reaching conclusions and making recommendations the acquired rights of the staff, which it had done in its original recommendation. The Commission could not accept the concept of an "acquired expectation" to a level of pensionable remuneration based on an artificial and non-existent rate of exchange.

184. Having reached that conclusion, however, the majority of the members felt that some gesture should be made to accommodate the concerns of the staff, of the

Secretary-General and of the Council of ICAO. 18/ The staff had become accustomed to a method which, rightly or wrongly, had been applied for many years past and would find it difficult to accept the correction of what had become an anomaly by a sudden "surgical operation". However, the Commission could not accept the staff representatives' suggestion of a 3 to 5 years' moratorium, which would merely postpone the time when "surgical operation" would be required. With one member dissenting, 18/ the Commission decided to recommend that the difference between the levels of pensionable remuneration resulting from the previous ICAO grossing-up method and those resulting from the generally used method (on the order of 2 per cent) be absorbed gradually on the occasion of each adjustment of salaries over a period of at least 3 and at most 5 years starting from April 1979. It would be for the Secretary-General of ICAO - if so required, with the agreement of the Council - to establish the modalities under which this gradual absorption of the difference would be effected during the transitional period.

185. Subsequently, the Secretary-General of ICAO informed the Acting Chairman that he had proposed and the ICAO Council had approved the adoption of the Commission's recommendation.

C. Salary scales of staff in the General Service,
Manual Workers and Security Service in New York

186. In its fifth annual report, 19/ the Commission informed the General Assembly of the progress made in the collection of data on best prevailing conditions of employment in New York, the fifth such survey to be made by the Commission under article 12, paragraph 1, of its statute, and of the reason for its decision to postpone consideration of the results of the survey, namely, to give full opportunity to all parties concerned to prepare their comments and present their views.

187. In accordance with guidelines established by the Commission, the survey covered three categories: General Service, Manual Workers and Security Service. The survey was conducted on the basis of a preselection of a group of best employers from various sectors of activity, for each of the three categories, the lists of employers having been approved by the Commission following consultations with the administrations and staff.

188. The data collection was carried out in the second quarter of 1979 by three survey teams each headed by a member of the Commission's secretariat and including one member from the administrations and one from the staff. The data, which were presented initially to the Commission at its tenth session, were reviewed in detail by it at its eleventh session following the postponement. In its examination of the data, the Commission gave full opportunity to the representatives of the administrations and staff to express their views.

18/ One member expressed the view that for the reasons outlined in the preceding paragraphs, the Commission should not go beyond confirming the recommendation that it had made at its tenth session.

19/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), paras. 155-159.

General Service category

189. With regard to the General Service category, the conclusions reached by the Commission were based on data provided by 34 employers of a total of 57 which had been contacted. The 34 employers surveyed employed approximately 132,000 office employees, or about 44 times the number of General Service staff of the United Nations, UNDP and UNICEF, which was 3,009.

190. Seventeen of the 28 surveyed jobs, covering grades G-2 to G-5 of the organizations' scale, were retained in the final analysis after applying the criteria followed by the Commission in previous surveys, that of representativeness of the organizations' jobs and comparability with jobs in the outside market. The 17 jobs represented about 50 per cent of the total population in the General Service category and corresponded to approximately 20,500 outside employees.

191. The Commission considered various methods of interpreting the data on salaries obtained outside, and decided to select, as the external matching point for each job, the average of the above-average remuneration paid for that job, both averages being weighted by the logarithm of the number of employees in the job with each employer. Matching salaries for each job were converted to matching salaries for each of the organizations' grades covered by the survey, with a corresponding weight being given to the member of the organizations' staff employed in each of the jobs. In determining these salaries, due account was taken of the benefits available to outside employees as compared to those available to the organizations' staff, including the more favourable practice on the outside with respect to medical and dental insurance. The scale was constructed on the basis of graduated internal matching points: step 3 at G-2, step 4 at G-3, step 5 at G-4 and step 5.5 at G-5. Certain improvements were introduced with regard to within grade step increments and intervals between grades, but no changes were made to the general structure of the scale, which the Commission considered could not be done until a comprehensive classification review of General Service posts was undertaken.

192. The Commission recommended a salary scale for the General Service category, reproduced as annex VIII to the present report, which in its opinion reflected adequately the best prevailing conditions and salaries in New York as at 1 April 1979. By comparison with the scale which was in force in the organizations at that date, i.e. the salary scale effective 1 February 1979, the recommended scale represented an increase at all grades, ranging from 7.6 to 8.7 per cent at step I and from 4.9 to 11.5 per cent at the top step. The over-all net weighted average increase for the scale as a whole was 8 per cent. Considering the effect of the increase in cost of living on net salaries during that period, the recommended scale signified a real income increase of 6.5 per cent.

Manual Workers category

193. As concerns the Manual Workers category, six of the 13 employers contacted were able to provide data and all six were retained for analysis. These six employers represented approximately 22,200 manual workers over-all, or about 100 times the number of Manual Workers within the organizations, which was 221. Of 11 jobs surveyed, 10 were retained for analysis covering 6 of the 7 grades of the scale. The 10 jobs represented about 31 per cent of the total population in the Manual Workers category and were matched with a significantly larger number of outside employees, the exact number of which was undetermined since one large employer was unable to specify the number of employees per job.

194. The Commission derived the external matching point for each job from the unweighted average of the remuneration paid for the job by the employers surveyed, due weight then being given to the number of the organizations' Manual Workers employed in each of the jobs for converting the data into matching salaries for each of the organizations' grades covered by the survey. Again, account was taken of the benefits available to outside employees as compared to those of the organizations' staff, including medical and dental insurance. The internal matching point for each grade was set at step III, since the Commission found that outside salaries corresponded closely to the midpoint of the range rather than to the concept of gradually rising steps. In constructing the salary scale for the Manual Workers category, the Commission made some improvements in the value of within grade step increments and intervals between grades, as it had also done for the General Service, and it also recommended that the time intervals between step increments should be made uniform at 12 months.

195. The salary scale recommended by the Commission for the Manual Workers category is reproduced as annex IX to the present report. In the Commission's opinion it reflected adequately the best prevailing conditions and salaries in New York as at 1 April 1979. By comparison with the scale in force at that date, i.e. the salary scale effective 1 October 1979, the recommended scale represented an increase at all grades, ranging from 3.9 to 8.5 per cent at step I and from 5.1 to 8.5 per cent at the top step (step VI). The over-all net weighted average increase for the recommended scale as a whole was of the order of 7 per cent. Considering the effect of the increase in cost of living on net salaries during that period, the recommended scale signified a real income increase of 3.6 per cent.

Security Service category

196. With regard to the Security Service category, the Commission decided to retain only three of the eight employers surveyed, the others being rejected for either lack of comparability in the work performed or insufficient number of employees in the jobs matched. The three retained employers accounted for approximately 2,100 security service employees or about 10 times the number in the organizations, which was 214. The four jobs covered by the survey were all retained, and were placed against the five grades of the organizations' salary scale. The four jobs represented 85 per cent of the total population in the security service category and corresponded to approximately 1,950 outside employees.

197. The Commission based the analysis on the outside minimum and maximum rates for each job and established the external matching salaries for each job, as well as for the grade, for minima and maxima, by taking the average of the total gross remuneration for each of the three employers, weighted by the logarithm of the number of employees in the job. Account was once again taken of the benefits available to outside employees. In selecting the internal matching points, the Commission placed two of the jobs against the three lowest grades, taking the first step of G-1 and the top step of G-3 as the minimum and maximum matching point for the two jobs, and in each of the two remaining grades it took the first and last step as the matching points for the minimum and maximum salaries of the other two jobs, respectively.

198. In constructing the scale, the Commission did not consider justified any major structural changes at the time, nor was there sufficient flexibility in the survey results to do anything about the lack of uniformity in step increments. Finding that the application of the net survey results on a grade-by-grade basis would have

introduced unacceptable variations in salary compared with the scale in force at the time, namely that of 1 February 1979. The Commission decided to adopt over all weighted average increase in net terms, which was 2.4 per cent, as an across-the-board increase at all steps and grades.

199. The salary scale recommended by the Commission for the Security Service category is reproduced as annex X to the present report. In the Commission's opinion it reflected adequately the best prevailing conditions and salaries in New York as at 1 April 1979. The 2.4 per cent over all increases previously mentioned represented a real income increase of 0.9 per cent.

200. As concerns the category of guards and dispatchers, the Commission, not having surveyed this category and noting that its salaries had in the past been adjusted at the same time and to the extent as those in the General Service category, recommended that this practice be followed on that and future occasions.

201. The Commission also recommended a system of adjustments of salaries between surveys, one which would be uniform for all three categories of staff concerned. It recommended that the salary scales of the three categories should be adjusted, concurrently, by 90 per cent of the movement of the Consumer Price Index (CPI) for New York whenever the CPI has increased by 5 per cent or more over the level reached at the time of the previous adjustment, or after 12 months, whichever occurs first.

202. In compliance with its mandate under article 11 (b) of its statute, the Commission also considered the level of dependency allowances payable to staff in the General Service, Manual Workers and Security Service categories in New York. Considering that the dependency allowances should be fixed by reference to tax abatements under Federal, New York State and New York City income tax legislation, with account being taken of the practice of many outside employees to subsidize medical and dental insurance premiums in respect of their employers' dependants, the Commission established a revised scale of dependency allowances to be introduced concurrently with the revised scales of salaries.

203. The findings, conclusions and recommendations of the Commission were set out in detail in a report presented to the Secretary-General of the United Nations and the Administrator of UNDP. Both the Secretary-General of the United Nations and the Administrator of the UNDP decided to implement the conclusions and recommendations of the Commission, with retroactive effect to 1 August 1979. In both cases, they introduced the minor modification adding a new step X to the G-4 level of the General Service category.

D. Salary scales of staff in General Service category in Rome

204. As it informed the General Assembly in its fifth annual report, 20/ the Commission had established at its ninth session the guidelines for, and approved in principle at its tenth session, the methodology for interpreting the data of a survey of best prevailing conditions of employment to be carried out in Rome, the sixth such survey to be made by the Commission under article 12, paragraph 1,

20/ Ibid., paras. 161-163.

of its statute. The survey was made following the preselection of a group of best employers, from the principal sectors of activity, which had been chosen after consultation with representatives of the administrations and staff of FAO and IFAD.

205. The data collection was carried out in the fourth quarter of 1979 as foreseen, by three survey teams, each headed by a member of the Commission's secretariat and including one member from the administrations and one from the staff. In its examination of the resulting survey data, presented at the eleventh session, the Commission gave full opportunity to the representatives of the administrations and staff of FAO and IFAD to express their views.

206. Of 32 employers contacted, 29 participated in the survey, and 24 of these presented usable data. The conclusions reached by the Commission were therefore based on the data provided by the 24 employers retained for analysis, which altogether employed over 19,000 office workers, or about 9 times the total number of General Service staff of FAO and IFAD, which was 2,183. Sixteen jobs were surveyed, covering grades G-1 to G-6 of the seven-grade scale. The Commission retained 13 of these 16 jobs, having discarded one for insufficient data and two for the anomalous results which they presented. The remaining 13 jobs represented about 47 per cent of the total population in the General Service category and were matched by a total of approximately 8,700 outside employees in comparable jobs, or roughly a 9 to 1 ratio.

207. The Commission considered that salary ranges were a relevant indicator of employers' pay practices and decided to base the analysis of survey data on the minimum and maximum salary for each job, the maximum corresponding to the salary reached after a specified and predetermined number of years of seniority for each of the relevant grades. A number of cash benefits and allowances, over and above base salary, paid across the board and on a recurrent basis were found by the Commission to be an integral part of the cash remuneration package and were taken into account. In an over-all comparison of other benefits found among outside employers with those available in FAO and IFAD, the Commission concluded that no adjustment could be recommended. External matching points, at minima and maxima, for each job were taken and that remuneration paid by the employer whose remuneration was found at the 75th percentile of the remunerations given by all employers who reported data for the job, weighted by the natural logarithm of the number of employees in the job. Due weight was then given to the number of FAO and IFAD staff employed in each of the jobs for converting the data into matching salaries for each of the grades covered by the survey.

208. Using steps I and XIV of each grade as internal matching points, the Commission determined a scale in pre-tax terms, extrapolating the values for the G-7 grade and allowing for some smoothing of the results at the ends of the grades to avoid excessive differences between the recommended salary increases at the bottom and top of each grade. After netting down the pre-tax scale, the Commission decided to increase net salaries by a factor of 4 per cent to take account of the requirement for knowledge and use of languages other than Italian in FAO/IFAD.

209. The resulting salary scale, reproduced as annex XI to the present report, was recommended by the Commission as reflecting adequately the best prevailing conditions and salaries in Rome as at 1 August 1979. By comparison with the 1 September 1979 scale, the recommended scale represented an increase at all grades, ranging from 7.2 to 10.7 per cent at step I and from 4.0 to 7.5 per cent at the top step. The over-all net weighted average increase for the scale as a whole was 7.5 per cent.

210. With regard to medical and other insurance plans, the Commission decided to transmit the survey data on outside social security benefits to the Director-General of FAO and the President of IFAD, recommending that they might wish to review their insurance schemes in light of outside practice.

211. The issue of the procedure of adjustments of salaries between surveys was taken up by the Commission at its twelfth session, following the presentation of detailed additional information by the Director-General and staff of FAO on the relative merits of various price and salary indices. The Commission decided to recommend the continued use of a composite salary index, corresponding to all of Italy, the movement of which would be applied to pre-tax salaries whenever it increased by 5 per cent or more over the level reached at the time of the previous adjustment, or after 12 months, whichever occurs first.

212. In compliance with its mandate under article 11 (b) of its statute, the Commission also considered the level of dependency allowances. Taking into account the appropriate tax abatements, the payments available to outside employees under national social security legislation and those additional payments of family allowances by some outside employers, the Commission established a revised scale of dependency allowances to be introduced concurrently with the revised scale of salaries.

213. The findings, conclusions and recommendations were set out in detail in a report presented to the Director-General of FAO and the President of IFAD. The Director-General of FAO subsequently informed the Acting Chairman that he had proposed to the FAO Finance Committee, in May 1980, the adoption of the salary scales recommended by the Commission, with retroactive effect to 1 August 1979, and that the Finance Committee would present its report to the FAO Council in November 1980 for decision. He further informed that, following the Commission's recommendation, the FAO medical insurance plan had been reviewed and the level of employee contributions revised, in line with outside practice.

E. Preparation for a survey of best prevailing conditions of employment in Vienna

214. The Commission considered, at its eleventh session, a request made by the International Atomic Energy Agency that it undertake a survey of best prevailing conditions in Vienna in 1980. Bearing in mind the programme in 1980 for surveys and for the preparation of a general methodology (cf. para. 161 above) the Commission decided that it would not be possible to conduct the survey in 1980 as proposed. It established that the earliest time at which it could take up the question would be the thirteenth session. The Commission expected that the customary preliminary work would be undertaken by the secretariat and the organizations and that joint proposals from the administrations and staff in Vienna would be submitted at its thirteenth session. At its twelfth session, the Commission placed the survey of best prevailing conditions in Vienna on its work programme for the thirteenth and fourteenth sessions in 1981, in anticipation that the data collection phase of the survey could be carried out between those two sessions in time for a report to be submitted for the Commission's consideration at the fourteenth session.

CHAPTER VI

CONDITIONS OF SERVICE IN THE FIELD

A. Classification of duty stations according to living and working conditions

215. The Commission pursued its consideration of the means by which the conditions of life and work in field duty stations could be classified in such a way as to make it possible to provide remedies for adverse conditions which, in certain cases, impaired the effectiveness of the staff. At its eleventh session, the Commission had established a questionnaire designed to elicit information from duty stations as regards the factors of health, climate, education, housing, isolation and local conditions. It decided that to assist it in determining what remedial measures might be appropriate, the revised questionnaire would be distributed to field duty stations and the tabulation and analysis of the replies received would be communicated to CCAQ and FICSA.

216. On the basis of the analysis of replies, CCAQ and FICSA had been requested to present to the Commission final proposals for the classification to be adopted and for appropriate remedial action, distinguishing between that which could be taken by the organizations, that which could be decided by the Commission and that which required legislative approval.

217. The representative of CCAQ explained that replies to the questionnaire had been tabulated by CCAQ according to a points system for each of six factors (health, climate, education, housing, isolation and other local conditions) and an over-all profile had been established for each of those duty stations from which replies had been received. CCAQ was convinced that the analysis of replies had clearly established that the questionnaire developed by the Commission was an effective and objective instrument for identifying in field duty stations those conditions which adversely affected the performance of staff members. CCAQ therefore considered that the Commission should proceed as a matter of urgency with the classification of duty stations and the implementation of corrective or compensatory measures where necessary. Action was urgently required because all organizations of the common system had experienced difficulty in recruiting and retaining for field service staff at all levels, due in part to the fact that major bilateral aid programmes had offered for some time considerably more favourable conditions.

218. The representative of CCAQ recommended specific measures to be applied according to different degrees of adverse conditions which included: (a) more frequent home leave travel entitlements of 12 and 18 months periodicity depending upon the degree of adverse conditions present with the consequent abolition of rest and recuperation leave; (b) provision for travel of children between the duty station and the place of schooling twice (instead of once) in the year in which the parent was not entitled to home leave; (c) steps to improve the availability of adequate accommodation through, for example, building, buying or leasing of dwellings where feasible; (d) financial incentives for those unfavourable conditions for which no specific remedy could be found, in the form of an increased rate of assignment allowance to be established at half the highest existing rate, i.e., \$1,200 a year, regardless of grade and

dependency status and whether or not removal costs had been paid. The representative of CCAQ recommended that the ratings for each of the factors of adverse conditions for each duty station should not be published, although the over-all classification of the duty station should be. He also proposed that reviews of classifications be made once each year and that measures to be approved for particular duty stations resulting from such classifications take effect from 1 January and 1 July of each year. Only the proposed remedies of increased periodicity of home leave and education travel would require approval by the legislative bodies of the organizations, since they fell within the purview of the staff regulations.

219. The representative of UNDP expressed that organization's gratitude to the Commission and to all concerned for having taken action on the questions. He recalled that at a recent meeting of UNDP Resident Representatives the feeling had been strongly expressed that conditions of service in the field had been neglected and that if the situation were to continue it would impair the effectiveness of development programmes. There was now great expectancy in the field that adverse conditions would finally be recognized and appropriately compensated; UNDP concurred with CCAQ's proposals on the remedies suggested.

220. The representative of FICSA stated that the Federation attached a great deal of importance to the question of classification of duty station and was pleased to see that the Commission was finally reaching a conclusion in that exercise. He considered that the revised questionnaire had produced the desired result of objectivity, thus eliminating any apparent bias or the possibility of attempting to over-state adverse field conditions. FICSA was also pleased to note that, perhaps owing to the high degree of objectivity in the replies, there was a convergence of opinions with CCAQ in the analysis of the results of the inquiry, despite the fact that each had worked independently and had started from a different perspective. He then discussed the FICSA approach to develop on a different basis the duty station profile and the classification to be applied to it, and recommended some differences in the remedies proposed for the specific adverse conditions. FICSA supported even shorter periodicity for home leave than CCAQ had recommended, suggesting a 9-month, 12-month and 18-month cycle depending on conditions. The Federation also proposed the granting of a pro-rated field allowance which would induce the desired transfer of staff to those duty stations where, in a development context at least, staff were most needed.

221. The Commission observed that it had been dealing with the question of classification of duty stations according to conditions of life and work for nearly five years. Remedial action was required for those duty stations in which truly adverse conditions existed in order both to maintain high levels of morale among the staff members serving there and to ensure the continued effectiveness of organizations' field programmes. If the Commission had not reached conclusions on the question until now it was not because it did not look with sympathy upon the situation of those staff members affected by adverse field conditions, but that time was needed both to collect all the required information from numerous duty stations and to analyse it carefully and accurately.

222. While one member wished to postpone consideration of the question until the item on total compensation was completed, another member was of the view that the decision on this item should be postponed to the next biennium. The Commission, however, decided that it was now able to agree to proceed with the classification of field duty stations on the basis of the replies to the questionnaire that had been distributed. Replies had been received from 268 duty stations in 115 countries out

of a total of about 600 field duty stations to which staff members were assigned; however, the replies received covered approximately 75 per cent of all staff assigned in the field. Furthermore, the replies were from large and small duty stations, capital and outlying places, and represented a wide geographical coverage. The Commission noted with satisfaction and appreciation the high degree of objectivity that had been applied in completing the questionnaires. On the basis of these first replies the Commission was able to determine a number of specific remedies that should be implemented for duty stations having adverse conditions of life and work, although it preferred to await the remaining replies before deciding the specific classification for each duty station.

Frequency of home leave

223. The Commission considered that for those duty stations where unfavourable conditions tended to be grouped as regards health, climate, isolation and other local conditions, it was not possible to take specific action which would change the conditions in question. Therefore, the most effective remedy, where these conditions were highly adverse, was to provide the staff member and his family an opportunity to leave the duty station more often. The "rest and recuperation leave" arrangements had been introduced with this object in view but their value was limited by several factors, in particular, the fact that the cost of staying in many of the designated "rest and recuperation" centres was too high for the average staff member to be able to spend a holiday there with his family; and that in many cases the climatic and cultural environment was not sufficiently different from that of the duty station. The Commission considered that the staff member and his or her family would derive much more benefit from a visit to their home country, not only because they often have the possibility of staying there much less expensively, in their own home or with relatives, but they could take advantage of their stay to have a medical check-up, dental treatment and other similar "personal maintenance care" which was not always available in the duty station and which was not so conveniently available at an unfamiliar "rest and recuperation" centre. The incidence of sick leave and medical evacuations was likely to be significantly reduced by more frequent home visits. Such practice had long been recognized by those Member States which have large expatriate diplomatic or aid services, many of which grant home leave every year or even more frequently to their staff in "difficult" duty stations. The Commission therefore considered that for staff in those duty stations found to have the least satisfactory conditions of health, climate, isolation and other local conditions, the frequency of home leave should be increased to once every 12 months. For an intermediate category of duty stations at which conditions were found to be difficult but not among the least satisfactory, the frequency should be increased to 18 months. For all other duty stations (the vast majority), the present 24-month frequency should be maintained. Furthermore, the present "rest and recuperation" leave entitlement would be abolished but the additional travel entitlement (unlike the regular home leave entitlement) would be available, at the staff member's request and provided the cost was not greater, for travel to the headquarters country of the organization or another place which the staff member preferred and where the leave would serve the same purposes as in his home country, for example, the home country of the spouse. The Commission noted that such travel should be subject to the exigencies of the service and that in some cases (such as in educational, agricultural and training projects) the leave could not be taken because of the difficulty of reconciling it with the annual work cycle.

224. The Commission therefore recommends that the Staff Regulations of the organizations should be modified, with effect from 1 January 1981, to increase the

periodicity of home leave to 12 and 18 months as explained above for staff members serving in very difficult and difficult field duty stations respectively. The designation of those field duty stations qualifying for the 12 and 18 month periodicity of home leave would be determined on the basis of a formula which included a predetermined mix of adverse conditions as regards the six factors of conditions of life and work and which would be applied and maintained solely by the Commission. While the exact number of duty stations which would qualify for the new cycles of home leave would be determined once all of the questionnaires had been returned, the Commission noted that, on the basis of the replies already received, it could be estimated that the financial implications of the recommendation would be an increase in costs of \$296,000 for all organizations and all duty stations.

Educational facilities

225. The Commission considered that where schools providing schooling in the language or in the cultural tradition desired by staff members for their children did not exist at the duty station the situation was again one in which nothing could be done to provide the conditions lacking. The only option available to staff members in such circumstances was to send their children away to boarding school, elsewhere in the duty station country, in the home country, or in a third country. The Commission considered that where the educational facilities were such that international staff had no option but to send their children outside the duty station country for schooling, then special treatment was justified by providing for travel of the child between the duty station and the place of schooling twice (instead of once) in the year in which the parent is not entitled to home leave, thus bringing the total of family reunions permitted at the organization's expense to four in a two-year period instead of three. The Commission noted that such special treatment should only be provided for eligible staff members serving in field duty stations.

226. The Commission therefore recommends that the Staff Regulations of the organizations should be modified, with effect from 1 January 1981, to provide for travel of the child between the duty station and the place of schooling twice (instead of once) in the year in which the parent is not entitled to home leave in those field duty stations where schools do not exist which provide schooling in the language or in the cultural tradition desired by the staff members for their children. The over-all number of family reunions permitted at the organization's expense would thus be raised to four in a two-year period instead of the three. The Commission would determine which duty stations were eligible for such provision on the basis of an analysis of the replies to questionnaires relating to educational facilities. While the exact number of duty stations to qualify for the additional educational travel would be determined once all of the completed questionnaires had been returned, the Commission noted that, on the basis of the replies already received, the additional costs could be estimated at approximately \$75,000 for all organizations and all duty stations.

Financial incentives

227. The Commission also considered the introduction of a financial incentive in the form of an increase in assignment allowance at half the highest existing rate, i.e., \$1,200 a year, which would be allocated to staff members working in the most difficult conditions for which no other remedy could be found, whether or not removal costs had been paid. While the Commission was favourably inclined to such

an incentive since it represented an additional payment of only \$100 per month which was less than the financial incentives given to employees of other bilateral aid programmes, it wished to postpone its decision on the question to its next session at which time it expected to have more conclusive information regarding the duty stations which would qualify for such incentives on the basis of guidelines laid down by the Commission. It decided, however, that any incentives which the Commission might approve would have retroactive effect from 1 January 1981 in view of the recognized urgency of ameliorating field conditions.

Procedures

228. The Commission decided to establish a working party composed of one member designated by CCAQ, one by FICSA and one or more members of the Commission's secretariat which would analyse the replies to each of the questionnaires, verify the consistency of the replies of individual questionnaires as well as that of the replies from neighbouring duty stations, and make proposals to the Commission on the classification of each duty station on the basis of instructives laid down by the Commission. The formulae to be applied in determining the over-all classification of duty stations and the manner of qualifying for specific remedial measures would be maintained by the Commission and not published, although the specific remedial measures for which a given duty station would qualify would be made known. The Commission would determine at its next session which duty stations would be eligible for which remedial measures. Once the initial classification was established, the Commission would carry out a review once each year to ensure that conditions had not changed. All reclassifications of duty stations which would be warranted by virtue of changes in conditions of life and work would become effective once each calendar year.

B. Rental subsidy for field staff

229. At its seventh session, the Commission decided, under article 11 of its statute, to approve the introduction of a rental subsidy scheme as a part of the post adjustment system. 21/ It agreed to the introduction of the scheme on an experimental basis for an initial period of one year beginning on 1 July 1978. It decided to review its operation at its tenth session with a view to reporting to the General Assembly at its thirty-fourth session on the first 12 months' experience of the functioning of the new scheme.

230. At its ninth session, the Commission decided that the information available from the operation of the experimental subsidy scheme should first be examined by ACPAQ and, because that Committee would not meet until the third quarter of 1979, extended the trial period for an additional year.

231. Following an examination of the data placed before it, and after taking into account the views expressed by the organizations and staff, ACPAQ agreed at its fourth session that the rental subsidy scheme had proved to be a necessary feature of the post adjustment system and should be continued on a more permanent basis. The Committee, however, felt that in its experimental form the scheme had a number of shortcomings and should be somewhat modified and improved. Most importantly, it

21/ Ibid., Thirty-third Session, Supplement No. 30 (A/33/30), paras. 252-260.

failed to provide an adequate measure of equity; also because of its complexity, it was difficult to understand and administer. Thus, in further examination of the matter, ACPAQ set for itself two major objectives:

(a) To render the scheme more equitable as far as possible;

(b) To simplify it substantially by eliminating some unnecessary parameters and simplifying others.

To this end, it requested the secretariat to test the effects of a new approach whereby subsidies would be computed by reference to the average relationship of gross rents to incomes of staff members at each duty station. The tests, subsequently carried out, demonstrated that, by comparison with the experimental scheme, the new approach would reduce the over-all cost to the organizations. In addition, the scheme, thus revised, would be much simpler to understand and administer. It would add to the stability and consistency of the rental thresholds which, in turn, would lead to better equity among staff. Therefore the Committee, with the concurrence of CCAQ and FICSA, decided to recommend to the Commission that the revised scheme be approved.

232. The Commission, at its eleventh session, approved the revised rental subsidy scheme for implementation effective 1 July 1980. The essential features of the scheme are as follows:

(a) Subsidies shall continue to be available only to staff in the Professional and higher categories serving in locations outside Europe and North America; 22/

(b) As a disincentive to acquiring unnecessarily expensive lodging because subsidies exist, in general, subsidy shall not exceed 40 per cent of the actual rent, i.e., the staff member shall always be responsible for at least 60 per cent of the rent. Some exceptions to this general rule will be necessary at those duty stations where the majority of staff members are in government-provided housing and where the rental component of the post adjustment index, based exclusively on government rents, is relatively low, while commercial rents are considerably higher;

(c) For reasons of administrative convenience, any calculated subsidy of less than \$10 per month shall be disregarded;

(d) Subsidy shall be payable only on certification by a senior official of the United Nations common system in the locality that a rental on which subsidy is claimed is for lodging which is "reasonable" in relation to the staff member's needs and the conditions of the market;

(e) Within these over-all limits subsidy will amount to 80 per cent of the rent which is in excess of a threshold amount, calculated individually for each staff member, based on the threshold percentage figure to be established by ICSC for each duty station;

22/ As defined for the purpose of assignment allowance.

(f) Post adjustment indices shall be adjusted to take account of subsidy payments, wherever applicable, in order to avoid double counting

(g) The essential facts about each subsidy authorized must be reported to the Commission on a continuing basis until further instructions;

(h) Some transitional measures will be necessary whenever the new system results in reduction or elimination of subsidy; the Commission agreed to transitional measures for a period of one year and decided to examine the question at its thirteenth session;

(i) Staff members whose housing is provided by the organization, by the Government or by a related institution either free of charge or at rents substantially lower than the average rents used in calculating the post adjustment index for the duty station should be subject to payroll deductions from their salaries so as to maintain equity in the application of the post adjustment system among staff members at that duty station.

133. The Commission requested its secretariat to submit a status report at its fifteenth session using data made available by the organizations on the operation of the new scheme.

CHAPTER VII

OTHER PERSONNEL POLICY FUNCTIONS OF THE COMMISSION

A. Action by the Commission under article 13 of its statute

1. Tier I: The Master Standard

Promulgation of the Master Standard

234. At its eleventh session, the Commission had before it a report on the development and testing of Tier I - the Master Standard of the common system job classification standards. The testing programme approved by the Commission at its tenth session had been carried out in Geneva, New York and Bangkok by a team which included job classification specialists from agencies of the common system, representatives of FICSA and members of the Commission's secretariat.

235. In the document it was recalled that the testing team had been set up as a technical body with the responsibility of determining whether or not the points-factor evaluation system was suitable for adoption as the Master Standard - Tier I - of the common system job classification standards. To this end, its six members had carried out a detailed testing programme of seven weeks' duration in which three duty stations had been visited and 179 jobs examined. During those tests the factors and job description form had undergone a series of modifications and a glossary of terms had been developed. Those had resulted in improvements not only in the internal logic of the system and in the understanding of the various terms used but also, and more importantly, in the results which the system had obtained. Having completed their work, the members of the team unanimously concluded that the points-factor evaluation system, as revised, should be adopted by the Commission. The following reasons were given in support of this conclusion:

(a) The points-factor method of job evaluation is analytical, quantitative and objective; it prescribes an orderly approach to the analysis and evaluation of jobs, requiring, as it does, the consideration and rating of a number of factors. Without constituting a fully scientific scale of measurement that would result in a mechanical approach to evaluating jobs, the system does provide job analysts with a basis for more objective judgements in determining relative job values. Perhaps its greatest advantage is that it is particularly well suited for application to jobs which consist of a combination of varied tasks - a dominant feature of most common system jobs. For these reasons the points-factor method is the type of job evaluation best suited for application within the organizations of the common system.

(b) The system tested by the team had been applied with successful results to a wide variety of jobs covering a wide range of fields of work and coming from a wide range of organizations and duty stations. It had worked well on scientific, technical, administrative, relations and language jobs, on supervisory and non-supervisory jobs, on operational and support jobs, on headquarters and field jobs, on typical and atypical jobs in the most populated fields of work and on jobs

in less populated fields of work. The over-all rate of confirmation for all tests (not including jobs for which adequate information was not available) had exceeded 80 per cent. Therefore the system tested had fully met the requirement that it be applicable to all jobs within the organizations of the common system.

(c) The system had been applied by classifiers having diverse experience and background, and differing degrees of knowledge concerning the individual jobs included in the tests. Yet the results achieved independently by these classifiers, once sufficient experience in applying the system had been obtained, were remarkably consistent.

236. All these reasons had led the team to the conclusion that the points-factor evaluation system which it had tested would serve as the best means for drawing the diverse grading practices and patterns of the organizations of the common system into a common approach while at the same time requiring the minimum amount of changes in present grading patterns. The team therefore made the following recommendations to the Commission:

(a) That the points-factor evaluation system which it had tested and revised should be adopted as the Master Standard of the common system grading standards;

(b) That the ICSC job description form should be adopted for use in conjunction with the Master Standard in order to provide greater guarantees that all relevant information is taken into account when classifying jobs;

(c) That the glossary of terms should be adopted as a reference tool for classifiers when applying the Master Standard (it being understood that the glossary would be subject to revision as and when the need arises);

(d) That when classifying jobs, job audits or interviews with incumbents should be conducted whenever possible in order to supplement the information provided on the job description form;

(e) That training workshops should be organized for the classification officers of the organizations as an aid to the explanation and proper implementation of the Master Standard.

237. The representative of CCAQ expressed the organizations' satisfaction at the work that had been carried out in the testing of the Master Standard. While the organizations accepted and supported the Master Standard, it was considered important, before implementation, to undertake further tests on project posts in the field. In addition, some organizations considered the proposed implementation and budgetary implications needed to be more fully examined by each of the organizations. With this in mind, CCAQ considered that it was not in a position to comment in more detail on those questions or to agree on a date for implementation.

238. The representative of WHO stated that his organization objected to the introduction of the Master Standard at this time, on the ground that the need for the standards should be further tested on project posts in the field. Given that his organization made no distinction between headquarters, field and project posts in the application of their grading standards, WHO considered that it would not be appropriate for it to operate two differing systems and standards for the particular categories of staff concerned. He hastened to assure the Commission, however, that

his reservation did not in any way imply an unwillingness on the part of his organization to adopt the ICSC common grading standards but rather the view of WHO that such standards should be applied to all Professional staff, regardless of duty station or contractual status.

239. The representative of FICSA stated that the adoption of the Master Standard should provide organizations which have no job classification standards with guidelines. These could be used to overcome the disparities in grading patterns which currently existed between organizations. It was regarded by FICSA as important that the implementation of those standards should be carried out with the full participation of the staff and should include job interviews with incumbents.

240. In general, FICSA supported the recommendations but felt that the following points should be considered when implementing the Master Standard:

(a) The need to ensure that career opportunities for staff were not neglected or diminished;

(b) The need to adopt a flexible approach to the date of implementation, given the importance of individual organizations undertaking internal tests in order to assess the effect on them of the standards;

(c) The desirability of including in the training seminars on the use of the standard not only job classifiers but also staff representatives;

(d) The usefulness of the glossary of terms as a means of establishing a common approach among the organizations to the interpretation of the standards; and

(e) The importance of developing satisfactory definitions for Professional and General Service category work.

241. In regard to the last point, the FICSA representative stated that the Federation would raise at the next session of the Commission some of the problems that General Service staff faced in moving from the General Service category to the Professional. FICSA hoped, in the meantime, that the work of developing job classification standards and defining Professional and General Service levels of work would not create further difficulties for the career mobility of General Service staff.

Conclusions

242. The Commission recalled that the plan for the further development and testing of the Master Standard, with a view to its adoption as the first tier of a three-tiered system of common system job classification standards, had been approved by the Commission at its ninth session (February-March 1979) and had been amended at the tenth session, taking into account the view of the organizations and of the staff. The Commission further noted that the organizations had, at the tenth session, supported the three-tiered system of standards as well as the details of the testing programme for Tier I of those standards. The Commission decided:

(a) To approve the point-factor evaluation system, as revised during the recent test programme, and to promulgate it as the Master Standard (Tier I) of the common system grading standards for use by the organizations, in accordance with

arrangements to be established (see (b) below). The Commission noted that in taking this decision it was:

- (i) Establishing the standard as that to be used by the organizations in the common system when classifying all Professional and higher category (P-1-D-2 inclusive), non-project positions at headquarters and established field offices, in fields of work common to several organizations;
- (ii) Recommending that the standard be used by the organizations when classifying all other Professional and higher category (P-1-D-2 inclusive), non-project positions at headquarters and established field offices, it being recognized that organizations were free to apply it to project positions as well if they so decided;

The Master Standard is reproduced in annex XII to the present report.

(b) To instruct the secretariat to prepare, after consultation with organizations and staff, and to submit to the Commission at its twelfth session a plan for the progressive implementation from 1 January 1981 of the Master Standard (it being understood that those organizations which wish to implement it earlier were at liberty to do so), as well as proposals for the monitoring, under article 17 of the statute, the Commission's decisions and recommendations in this area;

(c) To recommend that the ICSC job description form (see annex XIII) be used by organizations when classifying jobs according to the Master Standard;

(d) To recommend that the glossary of terms (see annex XIV) be used as a reference tool by classifiers when applying the Master Standard and that revisions to the glossary be undertaken by the secretariat as and when the need arose;

(e) To recommend to organizations that, when classifying jobs, job audits or interviews with incumbents be conducted whenever possible in order to supplement the information provided on the job description form;

(f) To approve the organization by the secretariat of training seminars in the application of the Master Standard which would be open to job classification officers of the organizations as well as staff representatives;

(g) To approve the revised time-table for the development of the Tier II standards.

243. The Commission noted the reservations expressed by the representative of WHO with respect to the further testing of the Master Standard on project posts. However, CCAQ had reported to the Commission the view of the majority of the organizations that such testing was not feasible. It further recalled that, in the work programme adopted at the ninth session, the Commission had decided that the development of job classification standards for project posts should be taken up at a later stage. However, in order to assist WHO in implementing the Master Standard it instructed the secretariat to work with WHO in conducting a test of project posts within that organization and any other organizations which might wish to participate and to report the results of that test to the Commission at its twelfth session.

Implementation of the Master Standard

244. At its twelfth session, the Commission had before it a document which provided information on the consultations carried out by the secretariat, proposed a plan for the progressive implementation of the Master Standard from 1 January 1981, outlined proposals for the monitoring of the Commission's decisions and recommendations in this area, reported on the first training seminar conducted on the use of the Master Standard and provided a report on the testing of the Master Standard on project positions as had been requested by WHO.

245. The representative of CCAQ reported that there was a large measure of agreement among the organizations concerning the way in which the Master Standard should be implemented. Each organization planned to implement the standard in accordance with its own requirements and at a pace consistent with its resources. At the very least this would mean that the Master Standard would be applied beginning 1 January 1981 when any decision on classification is required, that is, when classifying any newly created posts, vacant posts or posts falling vacant, and any posts which have been requested for review. Some organizations, however, favoured either conducting one over-all organization-wide grading survey or launching surveys on a segmented basis according to organizational units, occupational groups or duty stations. With regard to monitoring of the Commission's decisions and recommendations, the organizations considered that reports on action taken should be provided to the Commission, but not as early as the next session. The organizations noted with appreciation the useful training seminar which had been arranged by the Commission's secretariat in the use of the Master Standard and hoped that further such seminars could be conducted. They requested that a training manual be developed by the Commission to provide further guidance to organizations on implementing the standard. The representatives of CCAQ also pointed out that some organizations would experience difficulties in implementing the Master Standard as the respective legislative bodies had not delegated full authority for classifying posts to the executive head. The organizations hoped that the Commission would make special efforts to remedy this problem.

246. The representative of FICSA explained that the staff agreed with the principle that job classification plans be implemented in the organizations provided that career prospects were not impaired in the process. However, the timing planned for implementing the standard seemed too short. Local staff should be closely associated in every stage of the matter, including the development and application of appeals procedures, and all of this required time. The staff felt that the impact of the Commission's decision as well as all stages of implementation should therefore be examined and assessed jointly by administration and staff in order to secure for the standard the widest degree of understanding and adherence. The exact manner of this joint endeavour would, of course, depend on the traditions and existing machinery for staff consultation in each organization. In addition, any relevant grading decision and related information should always be communicated to the staff member. FICSA also considered that the staff should be involved in the Commission's monitoring of the implementation of the Master Standard. The staff noted that adequate resources had to be made available by administrations to ensure proper implementation and hoped the Commission would assist in this regard. The further conduct of training seminars in other organizations was also strongly supported by the staff.

Conclusions

247. The Commission took note of the views of individual organizations as to the most appropriate approach to implementation of the Master Standard. The comments and approach of organizations had been positive and constructive and in general both the representatives of the organizations and of the staff had welcomed the introduction of the Master Standard. Taking account of their constitutional arrangements, resources and staff consultation procedures, organizations could begin implementing the Master Standard from 1 January 1981 on a progressive basis. The Commission also noted with satisfaction the training seminar which had been organized by the secretariat on the use of the Master Standard and instructed the secretariat to conduct further such seminars as the need arises in the future in order to assist in the implementation of the Master Standard.

The meaning of progressive implementation

248. The Commission considered that it was clear that the effect of its decision to adopt and promulgate the Master Standard for use from 1 January 1981 was that organizations should begin no later than 1 January 1981 to apply the standard when any decision is taken on classification of jobs in the Professional and higher category within common fields of work at headquarters and established field offices. The Commission noted that statistics collected by its secretariat indicated that the Master Standard will apply to 65 fields of work representing the overwhelming number of fields of work found in the common system. (The common fields of work are reproduced in annex XV.)

249. The Commission observed that the process of converting to the use of the Master Standard would be more difficult for organizations with well established classification systems but for those organizations with no formal job classification system implementation should present fewer difficulties. Implementation will require, as the first step, setting into motion the necessary procedures for having the Master Standard formally introduced within the organization. In some organizations this will only require a decision on the part of the executive head, while in others it will be necessary to report the adoption of the new standards to the legislative body of the organization. Normally this step would also involve appropriate consultations with the staff representatives of the organization on the specific means of implementation. The Commission decided that three alternative approaches to implementation were permitted:

(a) To conduct in 1981 an over-all organization-wide grading survey of all Professional and higher category positions. (This would ensure full implementation within a relatively short period but would involve, particularly for the larger organizations, a greater commitment of resources.)

(b) To apply, beginning 1 January 1981, the Master Standard on a segmented basis; that is, to choose one sector, department, occupational group or duty station at a time in which all jobs would be fully surveyed and classified. (This would be a more gradual approach than the above alternative and would require a clear time-table indicating the action to be taken in commencing the review of other segments of organization as the review of one segment is concluded.)

(c) To apply the Master Standard, beginning 1 January 1981, when any classification decision is required; that is, when classifying any newly created

posts, vacant posts or posts falling vacant and any existing posts which have been designated for a review resulting from changes in duties and responsibilities. (This would require the smallest investment of resources and would not involve the parallel operation for a temporary period of the organizations' former classification standards.)

The Commission further decided that each organization should formulate a clear plan along one of these lines and report back to the Commission at its thirteenth session (February-March 1981) which of the above approaches it will have implemented.

Specific procedures to be followed when classifying positions

250. The Commission recommended to organizations the adoption of the following procedures to assist in the implementation of the Master Standard:

(a) The development of job descriptions on a format that ensures that all of the information necessary to apply all of the factors is obtained. This would preferably be the standard format developed by the Commission.

(b) The development of clear criteria to be used in deciding when a review of the grade of a position is justified in order to ensure that the classification system is administered in an economic, efficient and equitable manner. With regard to newly established posts, a review by the classification unit of the initial grade to be established prior to initiation of recruitment action would be necessary in order to avoid disparities in grade between newly established and existing posts that are of the same level of duties and responsibilities. In cases where the duties and responsibilities of an existing post have undergone significant change since the establishment of the current grade of the post, the chief of the unit in which the post is located should provide adequate supporting information on the nature of the changes that have occurred in the duties as well as the reasons for these changes. Finally a minimum time limit of at least six months should be established before which a subsequent request for review would be entertained.

(c) The establishment of a policy of conducting job audits whenever possible within resource limits in order to obtain sufficient information to undertake a proper evaluation of the elements of the post under review.

(d) The arrangement when possible within resources for a second independent evaluation of any post under review to be undertaken by another classification officer followed by a discussion to arrive at a final evaluation. By resolving individual discrepancies in ratings and thus establishing an agreed over-all evaluation for the post under review assurances would be made that all information has been considered; that individual errors of judgement had been detected and that greater consistency in the application of the Master Standard by individual classifiers is achieved.

(e) The development of a formal appeals or review procedure for resolving cases in which the grade established for the post has been disputed by the incumbent. While the exact nature and procedures for handling appeals in organizations will differ according to their particular traditions and existing machinery for resolving such appeals, the following principles were considered

desirable: the conclusions of any grading appeals committee would be in the form of an advisory recommendation to the executive head, the final decision still remaining the authority of the executive head; the development of any appeals procedure should ensure full equity but should not become too detailed, formalistic, cumbersome or encouraging of unjustified appeals or excessive litigation; appeals should be handled expeditiously to prevent poor staff relations and administrative difficulties which often result when delays are unnecessarily long; and if appeals bodies are established, staff should be consulted on the selection of members to the body and any members chosen should not only have experience in classification questions but also orientation and training in the use of the Master Standard.

(f) The participation of staff representatives in such matters as the development of appeals procedures, the involvement of individual staff members through the audit interviews of their posts and the holding of consultations with staff regarding the implementation of the Master Standard; it being recognized that the taking of classification decisions on individual posts is and should remain a management prerogative.

Implications of the Commission's actions in respect of legislative bodies

251. The Commission noted that its decision that the Master Standard be implemented on a progressive basis beginning 1 January 1981 already took into account the resource difficulties that could be faced by some organizations if they were required to have the Master Standard fully implemented by 1 January 1981. Furthermore, it observed that the time required for the application of the Master Standard was the minimum time necessary for the proper application of any job classification system. However, it appeared that the current resources available in some organizations were not even adequate to operate existing classification systems. The Commission noted that the development and implementation of uniform common system job classification standards had the objective of ensuring that a uniform system of salaries and allowances was applied to all the staff of the Professional and higher categories throughout the common system. The implementation of the common job classification standards promulgated would also help to ensure that levels of remuneration are related to the levels of services provided to the organizations (thereby creating greater efficiency of operations) and are based on the principle of providing equal pay for work of equal value. The Commission considered that these objectives could not be achieved unless adequate resources were provided by legislative bodies for appropriate classification machinery. The return from such additional resources in terms of increased order, reduced grade inflation and improved management and staff morale would be well worth the organization's investment. The Commission therefore strongly recommends to the legislative bodies of the organizations that favourable consideration should be given to the requests received from organizations for additional classification resources if such resources can be shown to be necessary for the implementation and maintenance of the common system job classification standards promulgated by the Commission.

252. The Commission observed that an important issue raised by the implementation of the Master Standard was the effect of introducing a technical, objective and systematic approach to job classification within existing constitutional authorities to classify posts. In the majority of organizations, the authority for the classification of posts up to and including grade P-5 was vested in the executive

head. In a number of these organizations, the executive head also had the authority to classify posts at the D-1 and D-2 levels. In some other organizations, however, the authority rested entirely with the legislative body, usually as part of the programme and budget process. In order to ensure an effective and consistent application of the Master Standard, the Commission considered it essential that at the very minimum executive heads should have the authority to grade posts even if limited by an over-all budgetary maximum of posts at particular grade levels. In any case, it was inconsistent to have technical classification recommendations made on individual posts only to have those recommendations rejected or modified on the basis of budgetary or other considerations which did not always take into account the technical basis on which the original recommendations were made. It was recognized that legislative bodies will nevertheless want, as they should, to ensure that delegation of the authority to classify posts to the executive head is not abused, thus leading to problems of grade inflation. There were, however, other means apart from retaining the power to individually approve the grade of each post, whereby legislative bodies could monitor and control grade inflation within an organization. Indeed, it was considered desirable, whether there was delegated authority or not, for all legislative bodies to endeavour to monitor the over-all grading pattern of the organization through such mechanisms as an annual report or through the monitoring of the organization's grading profile rather than to become involved in individual grading decisions.

253. The Commission therefore recommends to the legislative bodies of the organizations that executive heads should be delegated the authority to grade posts subject to any control mechanisms deemed appropriate by those bodies and that each legislative body endeavour to monitor the over-all grading pattern of the organization, through the monitoring of the organization's grading profile or other appropriate means rather than to pronounce on the specific grade of individual posts.

Monitoring of the Commission's decisions and recommendations regarding job classification

254. The Commission noted that, under article 17 of the statute, it was required to keep under review and report to the General Assembly the action taken by organizations to implement its decisions and recommendations. With respect to monitoring and reporting on the action taken to implement the Commission's decisions and recommendations concerning the adoption of common job classification standards, it was considered sufficient in the first instance to request reports from each organization on the specific action it had taken to implement the Master Standard and subsequently the individual Tier II standards which will be issued progressively. As indicated in paragraph 249 above, the Commission decided that each organization was to formulate a clear plan for implementation following one of the alternatives mentioned in that paragraph and to report back to the Commission at its thirteenth session (February-March 1981) which of the alternative forms of implementation had been put into action.

255. The Commission further decided, therefore, that each organization would prepare a report for the fifteenth session (February-March 1982) on the action it had taken during the first year of implementation. The report would contain information on the total numbers of positions within the organization in grades P-1 to D-2 falling within the 65 common fields of work and located at Headquarters and

established offices in the field; the numbers of these positions classified during the year by application of the Master Standard; the numbers of confirmations, upgradings and downgradings that resulted from doing so; the numbers of any other positions classified during the year by application of the Master Standard and any problems which the organization had experienced in applying the Master Standard. In addition to their function of providing a means for monitoring the effect of the Commission's decision, the reports would serve as a suitable vehicle for verifying the adequacy of the Master Standard on the basis of experience in organizations. The reports would also provide the opportunity for the Commission's secretariat to assist organizations with any difficulties they might encounter in operating the system. The Commission decided that any other forms of monitoring its decisions or of ensuring that they are implemented would be determined in the light of the performance of organizations in implementing the standards.

256. The secretariat reported on the results of the test of the Master Standard on 51 project posts in grades P-2 to D-1 from the WHO, FAO and ICAO. Those responsible for the test concluded that its results (88.2 per cent confirmation, 2 per cent graded over present grade and 9.8 per cent graded under present grade) supported the preliminary conclusion that the Master Standard could be applied with positive results to project posts as well as to non-project posts and that the possibility of extending the application of the Master Standard to project posts should be further studied by the organizations prior to making proposals to the Commission. The Commission noted with satisfaction the results of the test and the future action envisaged.

2. Tier II: Grade level standards

257. Following the plan for the development of common system job classification standards approved by the Commission at its tenth session and reported in its fifth annual report 23/ the Commission reviewed the progress made on the development of Tier II standards according to the established time-table. It took note of the work that had been accomplished on the development of standards for the Translators and Personnel Management Specialists fields of work as reported by its secretariat and approved the general approach that had been followed. This consisted of a description, based on representative job descriptions received from organizations, of each grade level within each field of work. The description included specific examples of the types of duties typically carried out at each grade level, a description of the requirements at each grade level in terms of the six factors of the Master Standard (Tier I) and the resulting rating for each factor.

258. The Commission announced its intention to consider and, if possible, promulgate at its next session the Tier II standards for Translators and Personnel Management Specialists; the standards would be revised if necessary following consideration by the secretariat of the comments to be submitted by the organizations and staff. The Commission established a programme of work for 1981 which included the development and promulgation of Tier II standards for the Economists and Electronic

23/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), paras. 191-200.

Data Processing Specialists fields of work. The Commission noted, in this connexion, the willingness of CCAQ to convene its Sub-Committee on Job Classification to study and provide detailed comments on the technical content of the draft standards to be prepared by the secretariat of the Commission.

3. Methodology for determining Professional level work

259. The Commission recalled that it had recognized at its ninth session, held in February and March 1979, the importance of developing a methodology for distinguishing between Professional level and General Service level work, since some organizations place certain jobs in the Professional category whilst other organizations (sometimes within the same duty station) place the same jobs within the General Service category. At its twelfth session, the Commission considered proposals submitted by CCAQ for such a methodology.

260. The representative of CCAQ explained that the proposed methodology involved the use of two steps, each step being applied to a particular post until a conclusion was reached as to the appropriate category for that post. The first step consisted in comparing the occupational group of the post to the Common Classification of Occupational Group (CCOG) approved by the Commission and which categorizes occupational groups as either Professional level or General Service level. The post under review, therefore, would be categorized in accordance with the occupational group to which it belonged.

261. If this were not sufficient to make a determination, the second step would be used. It consisted of analysing the post under review in accordance with a narrative description of Professional level work, and thereby establishing the appropriate category. This narrative description was 24/ as follows:

Professional work is analytical, evaluative, conceptual, interpretive and/or creative and thus requires the application of the basic principles of an organized body of theoretical knowledge, such as a field of science, learning or specialized discipline. It is intricate and involves a level of difficulty and complexity requiring the identification and consideration not only of the interrelationships between its constituent elements, which are of a varied and diverse nature, but also the broader context and perspective within which it is performed, including its impact on, and interrelationship with, the larger objectives and programmes of the Organization. It requires judgement in analysing and evaluating problems and in decision-making involving discretionary choices between alternative courses of action.

24/ The definition does not (and cannot) describe all aspects of all Professional work. Parts of this definition may also apply to some work within the General Service category. In applying the definition for the purpose of distinguishing between Professional and General Service work it is recognized that judgement must be applied in assessing whether or not the work involved in a given job conforms to the over-all definition rather than to one selective aspect of it. It should always be borne in mind that it is not the level of education or training possessed by the incumbent that is relevant, but rather the level of theoretical knowledge required to carry out the work.

Professional work required the understanding of an organized body of theoretical knowledge which is of a level equivalent to that represented by a university degree. While this knowledge is customarily and characteristically acquired through formal education, it may, in some fields of learning or specialized disciplines, be acquired through other training, self-study, or practical experience.

262. Subject to a periodic review, the Commission decided to approve the methodology proposed by CCAQ and described in paragraphs 260 and 261 above for use within the organizations of the common system when determining whether a given post should be placed in either the Professional or General Service category.

4. Development of common grading standards for the General Service category, New York

263. The secretariat reported to the Commission that the United Nations had drawn its attention to the fact that it had commenced work on the development of new classification standards and the conduct of a comprehensive classification review of its General Service category posts in New York with a view to establishing a seven-grade classification structure instead of the existing five-grade structure. In addition, the UNDP had also informed the secretariat of its interest in the development of new classification standards based on a seven-grade structure for its staff but had, however, expressed the view that any classification standards for General Service staff in New York should be developed on a co-ordinated basis and applied to all General Service staff in that duty station. UNICEF, on the other hand, had reported that it had recently adopted General Service grading standards and therefore had not planned to develop new standards although it would consider extending the structure of its General Service category from five to seven grades if the United Nations and UNDP were to do so. The secretariat had therefore brought the matter to the attention of the Commission in the interest of ensuring that a common approach for both the classification of posts and the structuring of the General Service category in New York be followed by the three organizations.

264. The Commission reaffirmed the principle, which it had endorsed during its Fifth Session, that General Service classification standards need not be developed on a uniform world-wide basis since salary scales are not uniform world wide, but that within a single duty station, such as New York, the same standards should be applied to staff of all the different organizations who are paid according to a common scale. It further affirmed that it was responsible under its statute for establishing both the classification standards and the number of grades that would apply to the General Service category in New York following any studies that might be undertaken on these subjects by the parties involved. The Commission therefore authorized its Chairman to request the Secretary-General of the United Nations to ensure that a common approach be undertaken by the United Nations, UNDP and UNICEF on the development of proposals regarding the establishment of classification standards and revisions to the grade structure for the General Service category in New York. The Commission would take its decisions on the classification standards and grade structure to be applied to the General Service category in New York once it had been presented with proposals resulting from a co-ordinated endeavour on the part of the three organizations concerned.

B. Action by the Commission under article 14 of its statute

1. Divergent grading patterns

265. On the basis of a report by the World Health Organization, the Commission considered that organization's practice of classifying certain positions as P-6. The report explained the purposes and the extent of the use of the practice of designating certain very high-level technical posts, above the P-5 level but not carrying directoral responsibilities, as P-6, with a salary level the same as that of the D-1 grade. The Commission noted that there was no difference whatever in the conditions of service of staff graded P-6 and those graded D-1: nor was there a difference in the level of duties and responsibilities assigned to these posts, although such duties and responsibilities could differ in kind. The difference between P-6 and D-1 was therefore primarily one of nomenclature. If WHO considered it useful for its own internal purposes to differentiate among all posts at the D-1 level those which carried directoral responsibilities from those which did not, it was not a matter having implications for the common system. The Commission therefore noted the practice of the P-6 grade as being peculiar to WHO and further noted the affirmation of the representative of CCAQ that there was no intention to extend its use to other organizations in the common system.

2. Performance appraisal

266. The Commission continued its consideration of the question on the basis of a document prepared by its secretariat which presented policy proposals on the various aspects of performance appraisal and suggested model performance appraisal forms. The document had been prepared on the basis of the extensive information which had been collected on performance appraisal techniques used by organizations of the United Nations system, some other international organizations, selected national civil services and by some enterprises having international operations.

267. CCAQ, while agreeing generally, emphasized the need for further study on specific operational aspects of the performance appraisal policy. Items requiring further review by the organizations included the requirement that full performance appraisals be conducted on an annual basis, the methodology for ensuring that supervisors classify their staff over the whole range of possible levels, the relative functions of and balance between narrative and numerical ratings, the manner of rewarding excellent performance, and the details of design and use of forms for recording performance appraisal information. Accordingly, CCAQ undertook to have these questions studied in time for consideration at its next session in January 1981, with a view to presenting more detailed views to the Commission at its thirteenth session.

268. FICSA expressed agreement with the general considerations offered and with the objectives identified for performance appraisal, especially those related to career development. Since performance appraisal was very important in shaping the career of the staff member, the Federation strongly supported the concept of providing thorough training to supervisors in the objectives, purposes and operation of appraisals systems but considered that such training should also be provided to the staff member. FICSA also offered further suggestions in relation to extending and improving the performance appraisal appeals process, on the use of performance appraisal ratings in work force reductions and for rewarding exceptional performance, as well as in the area of performance appraisal of supervisors.

269. While the Commission considered that the development of effective performance appraisal system was essential if the efficiency of the international civil service was to be improved and if proper career development measures were to be introduced, it considered that it was not yet in a position to pronounce on some of the questions regarding appraisal policy nor on the appropriate forms to be used. Consensus had been reached on certain underlying principles and general considerations as well as in the objectives of performance appraisal. As regards the principles to be borne in mind when developing performance appraisal policies, the Commission affirmed that:

(a) Appraisals should be made on the basis of work done by the staff member and not on personality traits;

(b) Peer appraisal and subordinate appraisal should be discouraged. However, second-level supervisors should be involved in the appraisal process, both to ensure greater objectivity and as a control for consistency in the application of appraisal criteria among several immediate supervisors;

(c) The problem of lack of time, interest and will on the part of supervisors to distinguish differences among staff members' performance called for serious attention;

(d) The institution of appeals machinery was an important aspect of performance appraisal, especially in a multi-cultural environment such as exists within the organizations of the common system;

(e) With regard to the confidentiality of performance appraisals, the staff member should be given a complete copy of the appraisal, but the report should be given to future employers only with the agreement of the staff member.

270. Concerning more general considerations, the Commission pointed out that performance appraisal was not an end in itself. It existed in order to accomplish certain objectives. The demise of many performance appraisal systems could be traced to too much attention being given to the operation of the system and little or no attention being paid to identifying the objectives of the system and evaluating whether or not these are being achieved through the system's operation. The objectives intended for any performance appraisal system, therefore, had to be defined in advance of actually developing the system, and once any system was implemented those who operated it had to check from time to time to see that objectives were being achieved by the appraisals and that the appraisals were being used for their intended purposes.

271. It was recognized that performance appraisal systems should not be the cause of any surprise on the part of those being appraised. Appraisal was a continuing process. The appraisal process needed to be open if it is to be effective. All evaluations, both positive and negative, needed to be communicated on a regular basis to the staff member lest the incidences of good and poor performances were to go overlooked thus causing difficulties for the supervisor to include in the annual report all relevant information. Annual performance reports, therefore, should summarize the appraisal communication which took place throughout the year.

272. Performance reports should be based on a positive, rather than a negative approach. This did not mean that all performance should be evaluated highly. In fact, this was precisely the error of many evaluations of performance - they often

failed to distinguish even the best from the poor performers. Rather, the report should be an instrument of positive motivation by both stressing good performance and while identifying not-so-good performance trying at the same time to assist in developing means of improving it. Thus, while the appraisal discussed past performance, it should be forward-looking in trying to build for successful performance in the future.

273. Appraisal methods should not be so time-consuming that they would be avoided entirely or done in a cursory manner for lack of time. On the other hand, simplification, while facilitating the work of reporting officers, rendered the performance appraisal meaningless. Neither the "inventory" approach to appraisal which consists basically of a simple check from one year to the next if the incumbent was still occupying the position, nor the approach that trapped the appraiser and the recipient of the appraisal in a maze of lengthy forms, processes and procedures were desirable. Therefore, the proper balance between the two extremes had to be struck in developing an appraisal method that was relatively simple to apply but that required the investment of time necessary to achieve appraisal objectives.

274. Finally, it had to be recognized from the outset that no appraisal system would be perfect in meeting all objectives. If the opposite were true then there would not exist such a proliferation of different systems as are found in use today in both the private and public sector.

275. The Commission identified the following four categories of performance appraisal objectives:

(a) Work-related objectives

- To provide a control for work done;
- To improve productivity;
- To improve efficiency;
- To help in assigning work;
- To determine if the objectives of the job are met by the staff member;
- To plan future work assignments.

(b) Career development objectives

- To identify training needs;
- To provide an opportunity to indicate career goals and aspirations;
- To identify career possibilities within the organization;
- To identify strong and weak points and encourage finding remedies for weak points;
- To determine career potential;
- To plan developmental (promotional or lateral) assignments.

(c) Objectives of communication

- To permit a dialogue between the supervisor and the subordinate;
- To provide adequate feedback on performance;
- To clearly establish what is expected of the staff member in terms of performance and future work assignments;
- To provide motivation and job satisfaction through open discussion of performance;
- To let employees know where they stand within the organization in terms of their performance.

(d) Administrative objectives

- To check if the job description is up-to-date;
- To serve as a basis for allocating merit awards;
- To determine if an annual increment is to be awarded;
- To serve as a basis for determining transfers;
- To determine successful or unsuccessful completion of probationary assignment;
- To serve as a basis for promotion or demotion;
- To serve as a basis for extension or termination of contract in case of satisfactory or unsatisfactory service.
- To serve as a basis for termination in case of reductions of staff;
- To provide information for future employers.

276. The Commission observed that many of these objectives were closely related and that all could be considered to be included under the four major objectives of performance appraisal:

(a) To provide a means for management to control that assigned work is properly carried out (work-related);

(b) To provide a means for helping to develop the staff member and his or her career and consequently the workforce of the organization (career development-related);

(c) To provide communication between supervisor and subordinate (communication-related);

(d) To provide data on which to base future administrative decisions affecting the organization's workforce (administration-related).

277. The Commission noted that the first and second of these major objectives were closely related to the content of any performance appraisal system; that is, they could only be achieved by a type of system which explored work and career development dimensions. Hence performance appraisal forms would best achieve these two major objectives (and thus their subsidiary ones as well) if a section of the forms was devoted to each. The third major objective - that of communication - related primarily to the process of the performance appraisal system; that is, the process had to be such that it would permit and, in fact, stimulate, communication between supervisor and subordinate of the work- and career-related contents of the appraisal. Feedback on past performance, information on expected future performance, assignments planned for the future, career goals, opportunities and constraints, training and development needs - all had to be openly communicated. The fourth major objective of performance appraisal - to provide data on which to base future administrative decisions - related primarily neither to the content nor to the process of the appraisal system, but rather to what was done with the appraisal results. While information on suitability for continued employment, potential for promotion, worthiness of an annual increment or merit award, willingness to transfer, or the lack of these should be provided in appraisal content and communication by process, follow-up action to ensure that the information is utilized when taking administrative decisions had also to be carried out by the Personnel Department if administration-related objectives of appraisal systems were to be achieved.

278. The Commission considered, therefore, that the following conclusions needed to be drawn if appraisal systems were to achieve the four major objectives outlined above in paragraph 276: appraisal content should include work-related components and career-related components; appraisal forms should provide a section on each of these; appraisal process should stimulate communication of appraisal content; follow-up action is required after appraisals to ensure that appraisal results are taken into account in administrative decision-making; and, finally, appraisal systems should be evaluated from time to time to determine if the four major objectives are being achieved.

279. While these conclusions could be drawn, it was not yet clear what criteria or approach should be utilized in judging performance. All members agreed, however, that appraisal forms needed to be kept simple.

280. Consensus was also reached with regard to the confidentiality or not of performance appraisals as well as on appeals mechanisms. The Commission considered that the appraisal should not be kept confidential from the staff member and that appeals should be permitted but only in those cases where it is believed that adverse discrimination, improper application of the appraisal procedures or other forms of unfair treatment have occurred. The appraisal itself should not be the subject of negotiation between the supervisor and subordinate, but rather the result of the responsibility of the supervisor to report accurately and objectively on performance. Viewed in such a light the introduction of additional appeals procedures to deal specifically with appraisals would not normally be necessary on the understanding that organizations already had in operation appeals procedures that dealt with cases of unfair treatment.

281. The Commission concluded, therefore, that while consensus had been reached on several issues, further study was required both on certain aspects of performance appraisal policy as well as on the forms to be used. It decided, therefore, to revert to the question at its next session in 1981.

3. Special career development programmes

282. The Commission continued its joint consideration of the questions of career development/recruitment, following the plan established at its ninth session which listed in order all of the issues to be considered in this highly interrelated area. The Commission noted that it was taking this action in order to make recommendations to the organizations, inter alia, on the questions of recruitment, career development and training as foreseen under article 14 of its statute.

283. The Commission took up step 7 of the plan of work which dealt with the questions of whether or not special measures above and beyond normal career development programmes should be taken to develop the careers of women, young people, or nationals of under-represented countries and whether management training programmes should be developed within the organizations of the common system. It used as the basis of its discussion a document prepared by the secretariat which examined the questions and offered policy proposals.

284. The representative of CCAQ reported that the organizations agreed on the following points relevant to the questions under study:

(a) No special development programmes should be designed for special groups of people outside of normal career development programmes;

(b) General Service career development should be studied as a particular problem.

(c) Executive Heads, Chiefs of Personnel, career development and placement specialists and managers should resist pressures from any national government to show favouritism in the development of careers of its citizens; to this end, the Executive Head should appeal to the Member States of his or her organization to refrain from exerting such pressure.

(d) Positions within an organization should not be designated (either formally or informally) as the specific domain of any country or group of countries.

(e) Model management training programmes should be designed and, to this end, the CCAQ Sub-Committee on Training was prepared to contribute to the development of such programmes.

285. The representative of FICSA stated that the staff generally agreed with the approach in the document prepared by the secretariat. Indeed many of the views were consistent with those which the staff had put forward in their major policy document in 1978. The staff could not support any special developmental arrangements for nationals of certain countries or any other groups since they believed that the international civil service should be dealt with as a whole when implementing career development programmes. The turnover of staff each year within the common system was sufficiently high that steps could be taken during the recruitment process to offset any imbalances; however, such steps should not lose sight of the primary criterion of seeking staff with efficiency and competence in an effort simply to correct imbalances. The staff agreed that steps should be taken to offset any adverse discrimination that might exist in order to ensure that all staff had equal opportunities for career advancement. Joint selection committees composed of both Professional and General Service staff, women and men and officials of diverse geographical and cultural background should be set up within each organization to avoid biased career development actions. Furthermore, the files of staff members under consideration for promotion or other career movement should not contain any reference to civil status or the numbers of dependent children. The staff fully agreed that efforts should be made within organizations to resist pressures from national governments to show favouritism in the development of the careers of their citizens and that no position should be designated as the specific domain of any country or group of countries. They hoped that these principles would be supported by the Commission with firmness and conviction.

286. The Federation considered that while no special development measures should be instituted, attention should be given to General Service staff, General Service staff performing technical functions and handicapped staff members in order that such staff are given the same opportunities for career development as are provided to all staff. The representative of FICSA pointed out that the careers of General Service staff were virtually non-existent. Since recruitment was often carried out at G-3 and the movement from General Service to Professional was blocked this resulted in two or three promotions in one's entire career. He therefore proposed the following specific measures in regards to General Service category:

(a) More lateral transfers.

(b) More training of supervisors and others by personnel to offset the prejudicial notion that the capabilities of General Service staff and in particular secretaries were limited to those functions which they at present carried out;

(c) More redesign of jobs to make duties more agreeable;

(d) The granting of additional steps or promotions to those who have reached the top step of their grade.

(e) Elimination of the blockage on the basis of nationality of movement from General Service to Professional.

With regard to this last point, the staff believed that just as sex and age should not influence decisions on promotions, so should nationality not be a factor of consideration. The representative of FICSA informed the Commission that he was duty-bound by the Federation to express its serious disagreement with, and strong opposition to, the competitive examination procedure recently adopted by the General Assembly for staff of the United Nations. This was just an additional hurdle placed in the career path of the General Service staff. FICSA strongly supported the removal of the procedure as soon as possible.

287. With regard to General Service staff who carry out technical functions, the measures proposed for the General Service staff as a whole would apply: but in addition such staff should be granted more up-to-date training in their technical disciplines in order to remain abreast of technological developments. With regard to handicapped staff members, organizations should create both administrative measures and physical structures to help such staff operate effectively in the work environment. More handicapped persons should be recruited and, in conformity with the spirit of the International Year of Disabled Persons to be celebrated in 1981, the staff rules and regulations of the organizations should be revised to include this objective.

288. In considering the question of whether special development programmes should be instituted, the Commission observed that, provided organizational needs are also fulfilled in the process, the promotion of careers should be based fundamentally on the merit principle - that is, that staff members should be considered for lateral transfer, promotion or other career development actions on the basis of their past performance within the organization and their ability to undertake new assignments. It noted, however, that human nature being what it is, not even international organizations were likely to be entirely free from discrimination playing a role in hindering the career development of certain groups such as women, young people and nationals of certain countries. Nevertheless, any special programmes designed to offset such discrimination should not in themselves be based on discriminatory practices. To have special programmes which would single out and "groom" women, young people and nationals of certain countries or which would exert pressure on management to influence promotion decisions in favour of members of these groups in order to achieve target quotas would constitute a form of adverse discrimination (sometimes referred to as "reverse discrimination") in that more favourable treatment of special privileges would be given by the organization to certain members of its staff on the basis of considerations of sex, age or nationality. Such programmes would undoubtedly constitute instances of unfair treatment under the staff regulations of the organizations which based promotional

considerations not on sex, age or nationality, but on merit and, therefore, would open the organization to appeals to the relevant administrative tribunal by staff members not receiving such preferential treatment. In addition, such special career development programmes based as they would be on the assumption that "promotion constitutes career" would be inconsistent with the basic career development policy already laid down by the Commission. 25/ This policy affirmed that from the point of view of the staff member career development should not be interpreted to mean simply promotion to higher grade levels. Instead, it should be seen in the larger context of fulfilling one's personal development needs, developing one's personal abilities and aptitudes to the full and contributing one's talents to the organization in the most productive way all through the planned use of formal and on-the-job training, self-study, planned exposure to different fields of work, duty stations and staff members, lateral transfers and a host of other measures including, but certainly not limited to, promotions to higher grade levels.

289. The Commission therefore recommends to the organizations of the United Nations common system that they not institute special career development programmes which would either single out and "groom" for higher grades or establish target quotas at given grade levels for women, young people, certain nationals or any other group to which any staff member of the organization is not eligible to belong. However, in those cases where disparate treatment of these groups has been found to exist, organizations may find it necessary to institute training programmes which would prepare members of such groups so that they are able to compete on an equal footing with all other staff for career development opportunities. The Commission noted that its rejection of such special career development measures did not prejudice the development at a later stage of a recruitment policy having as one of the components the establishment of target hiring quotas for women, young people or certain nationals as the considerations applying to the case of recruitment of new staff were not the same as those applying to the career development of serving staff. In fact it would appear that the more appropriate action to be taken in order to redress any imbalance that may exist with regard to such groups, would be through the establishment of such recruitment policies within organizations. In any event, the Commission would deal with the question of recruitment at a later stage as foreseen in its work programme for the area of career development/recruitment (see annex XVI).

290. The Commission considered that if adverse discrimination did play a role in jeopardizing the career development of women, young people or certain nationals then some special measures were required. However, such measures would do better to attack the problem at its cause. Any special measures for women, young people or certain nationals therefore should concentrate on removing any and all obstacles that may be created by adverse discrimination in order to ensure that the same career development opportunities are available to the entire staff. Such an approach would reaffirm rather than contradict the merit principle as the basis for promoting careers since a staff member's career progress would be based solely on considerations of past performance and ability to undertake new assignments rather than on sex, age or nationality. It would not encourage claims of unfair treatment by staff members outside these groups and finally, it would be consistent with the basic career development policy already laid down by the Commission.

25/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30 and Corr.1), paras. 212 and 213.

291. The Commission then considered and endorsed some measures that organizations of the common system could introduce to ensure that adverse discrimination did not play a role in the careers of staff members. It therefore recommends to the organizations the adoption of the following measures:

- (a) Internal filling of vacancies should not be based on "recruitment by word of mouth" which tends to reinforce clique mentality and perpetuate groups presently employed. Vacancies should be announced and should be communicated to all staff members;
- (b) Application by all staff members should be encouraged by considering applications from organizational units and duty stations outside that in which the vacant job is located and by providing adequate time for the receipt of applications. Application procedures should not be set by administrative convenience but in order to obtain the best possible person. (However, staff members should be encouraged to apply quickly in order that vacancies are filled as soon as possible to ensure the smooth operation of the organization);
- (c) Qualification requirements stated in vacancy announcements should be reviewed beforehand to ensure that they are job-related, necessary and non-discriminatory. Education, training, health and years of experience requirements should be related to requirements of the job on the basis of job analysis;
- (d) Terms identifying sex, age and nationality should be removed from internal vacancy announcements. For example, job titles such as "draughtsman", "cameraman" "male nurse", etc. should be replaced by "draughter", "camera operator", and "nurse". 26/ Reference to the incumbent as "he" or "she" should be removed as well;
- (e) Announcements should be published in all working languages of the organization;
- (f) Selection should not be based on sex, age, nationality, physical appearance or any consideration not relating to merit. Seniority with the organization should not in itself be a factor of consideration for advancement except in those specific cases in which it is not possible to distinguish between two or more applicants on the basis of qualification requirements and merit. In such cases the applicant with greater years of service should be given consideration;
- (g) If examinations are used as a basis for internal placement decisions they must be constructed in such a way that they do not have the effect of discriminating on the basis of sex, age, nationality, culture, etc.;
- (h) Interviews used in the selection process should be structured. They should all be conducted in a like manner so as to maximize objectivity and to prevent over-all personality-related assessments which can be open to prejudice. Check lists of useful questions to be asked and training in interviewing techniques should be given to the personnel officers and managers who conduct interviews;

26/ The ICSC Common Classification of Occupational Groups may be consulted for guidance in this regard.

(i) Cross-cultural training should be encouraged for managers and others occupying positions of career-related decision-making. Programmes that increase inter-group awareness and co-operation should be implemented. Managers should be reminded to guard against the tendency to select someone resembling themselves rather than to seek characteristics related to the job;

(j) As a component of career counselling provided to all staff members, members of groups against which discrimination may exist should receive separate counselling. Such counselling would aim at making these staff members aware of the form(s) of (illegal) discrimination which may exist or other problems which they may face and able to recognize specific instances of discrimination or unfair treatment so that they may be reported and investigated;

(k) Persons chosen as career counsellors should have undergone rigorous selection procedures to ensure that they are objective and free of prejudice. They should know, and be capable of communicating to all staff members in the organization, the qualifications required, the education and training programmes available and other information related to career development;

(l) Executive heads, chiefs of personnel, career development and placement, specialists and managers should resist pressures from any national government to show favouritism in the development of careers of its citizens. The executive head should appeal to the Member States of his or her organization to refrain from exerting such pressures;

(m) Positions within an organization should not be designated (either formally or informally) as the specific domain of any country or group of countries.

292. The Commission observed that these measures would apply in differing degrees to women, young people and nationals of certain countries but would also apply to groups such as handicapped persons. Furthermore, some of these measures would prove more effective than others depending on the problems and the practices that exist within a given organization. Organizations would have therefore to choose which of the measures to implement first depending on existing resources and practices; however, all organizations should be prepared to accept the underlying principles. The Commission believed that these measures would, if instituted, help to ensure that career opportunities are open to all staff members and career-related decisions are based on objectively determined, merit-related considerations.

Management training programmes

293. The Commission then considered the question of special management training programmes; that is, should special training or development programmes be instituted in which staff members having potential for and interest in occupying management or supervisory positions within the organization be selected for special (normally on-the-job) training to prepare them for management level jobs. The Commission noted that some would argue that such programmes would help ensure that adequate numbers of managers are available when needed by the organization. However, others would oppose these programmes on the grounds that the process of selection of staff to receive such training would prejudice the outcome, at some future time, of the process of selecting the actual manager. Since well-established procedures normally exist for the latter form of selection and not for the former such training programmes could be seen by some as devices to circumvent competition within the organization based on standardized procedures and objective criteria. It could

also be argued that such programmes would tend to create a privileged class of staff members within the organization and that, once chosen for such training, people would begin to perform at less than fully productive levels since they would consider that their future appointment to management was a fait accompli.

294. The Commission observed, however, that few people could disagree with the objective underlying proposed management training programmes, especially within the context of the common system. All organizations needed well trained managers in order to survive and as issues affecting organizations became increasingly complex the need for managerial talent would grow even larger. The problem was undoubtedly greater for the organizations of the common system where political considerations were often pressed and where there were difficulties of administrative communication and control brought on by widely dispersed offices and problems of human dynamics caused by a multitude of languages and cultures. Considering the difficulties involved it was not a surprise that the lack of properly trained managers could be cited as a major concern for most organizations of the common system. It appears, therefore, that disagreement could not arise over the objective but only over the means offered to achieve that objective. In other words, all could probably agree that management training programmes should be developed, but in such a way that proper assurances were provided to both management and staff.

295. The Commission therefore endorsed the principle that management training programmes be developed within the organizations of the common system in such a way that safeguards are provided for the interests of both staff and management. The following suggestions to be borne in mind when developing such management training programmes were identified by the Commission:

(a) Basing the development of such programmes on an awareness of the three types of knowledge necessary for successful managerial performance: technical knowledge of the subject matter(s) to be managed; knowledge of the principles and theories of management science and human relations skills;

(b) Making greater use of on-the-job training through rotational assignments and lateral transfers;

(c) Basing eligibility to such programmes on merit and making them open to all staff members, regardless of sex, age, nationality, etc.;

(d) Ensuring that selection procedures for such programmes are objectively and efficiently administered;

(e) Ensuring that selection for such programmes does not constitute an automatic right of progression to management levels;

(f) Carrying out cost-benefit analyses to estimate and justify resources needed to implement such programmes;

(g) Instituting continuing evaluation programmes to determine the extent to which the objectives of the training programmes are accomplished so that the training or selection criteria may be modified in order to achieve better results.

296. The Commission therefore concluded that management training programmes based on the principles outlined in the above paragraph should be developed. To this

end it requested CCAQ to provide to the Commission at its next session proposals on training policy and its relationship to career development in general as well as specific proposals for a model management training programme, including proposed methods and criteria for the identification and selection of trainees for such a programme.

4. Inter-organization exchange programmes

297. At its twelfth session, the Commission considered the question of inter-organization exchange programmes. After hearing the views of the representatives of the organizations and of the staff, it concluded that, at the least, present procedures for promoting exchange of staff should be made more consistent. A common prospection procedure should be applied that would require that organizations first seek qualified candidates from within. In the absence of these, organizations would next search for candidates from other organizations of the common system. If suitably qualified candidates were not produced through this step, then organizations would look outside the common system. By the adoption of this approach vacancies would be filled in the first and second instances through career development measures and, where not possible, through conventional recruitment methods. The Commission therefore recommends to the organizations of the common system the adoption and application of these common prospection procedures.

298. The Commission decided to defer until its next session consideration of the means by which greater inter-organization exchange of personnel might be encouraged, pending the receipt of more detailed views from the organizations and staff and pending further study of the question by its secretariat.

C. Local or national professionals

299. At its eleventh and twelfth sessions, the Commission examined the practices of UNICEF, UNDP, the United Nations Information Centres, ILO and IAEA with regard to the use of local or national professional posts in which professional duties are performed but which are remunerated according to local standards by the General Service scales, Extended General Service scales or special salary scales. Documentation prepared by the secretariat reviewed the practices of the organizations employing local or national professionals with regard to the numbers, grades and duty stations of such staff, the duties and responsibilities assigned, the manner in determining remuneration, selection, appointment and career development policies, other miscellaneous conditions of service and the historical background to the introduction of local or national professionals in each organization as well as the justification for employing such staff. Information was also provided on past considerations and proposals formulated within the common system relating to the development of a common policy regarding such staff.

300. The representative of CCAQ stated that the use of local professionals reflected the different needs of individual organizations. There was, in addition, an increasing interest among Member States in the use of national staff in development programmes. The organizations therefore welcomed the Commission's study and hoped that it could develop an over-all policy for the use of such staff. As outlined in the documentation prepared by the secretariat of the Commission,

CCAQ had reviewed the history dating back to 1964 of the consideration within the United Nations common system of the advantages and disadvantages of the introduction of a third category supplementary to the existing Professional and General Service categories. From the beginning concern had been expressed at some implications of employing staff engaged in professional duties in anything but the Professional category. Proposals for the establishment of a "local service" category in which some posts previously in the international Professional category could have been incorporated were rejected on a number of occasions. In all of these examinations those organizations which were already employing staff in professional functions in conditions other than those of the international Professional category testified to the fact that the national professionals met a felt need and filled a gap in certain types of development programmes. The 1972 Special Committee, in particular, recognized the valuable work done by local professionals and recommended that, pending further study by ICSC, the arrangement should be continued. However, objections were raised by others to the establishment of a national professional category as part of the common system. These objections were in part of a practical nature (for example, the problems anticipated in defining the scope and characteristics of a national professional category, the problem of determining the appropriate level of remuneration and the restricting effect such a category would have on the application of the principle of equitable geographical distribution) and, in part, of principle: namely, that to distinguish in conditions of employment and terms of remuneration between staff members performing comparable professional functions, often side by side, would be inimical to the basic rule of the international civil service that staff should be paid equally for work of equal value irrespective of their nationality. Such a derogation might ultimately undermine the unity of conditions of service which had always been seen as an indispensable characteristic of the international civil service.

301. During CCAQ's present review some organizations, in particular UNDP and UNICEF, had reaffirmed that a need had been demonstrated to exist in many field offices with country-programme responsibilities for staff who could perform functions of a nature that called for both professional skills and an intimate knowledge of local conditions (including the social and economic situation) as well as mastery of the local languages. These organizations referred to their experience that, whereas expatriate professional staff brought a dimension of international experience into the United Nations system's input, national professionals effectively complemented this with their specific knowledge of the country. The continued employment of national professionals was seen as part of the significant developments over the past 30 years in the United Nations system's strategy for technical co-operation, characterized by the increasing emphasis placed by developing countries on self-reliance and the system's endeavour to respond by introducing new methods and "new dimensions". Thus, the UNDP Governing Council at its twentieth session in 1975, seeking to give effect to the urging, in paragraph 69 of General Assembly resolution 3176 (XXVIII) of 17 December 1973, that the organizations "invigorate the search for innovative and interdisciplinary approaches", had declared that "the basic purpose of technical co-operation should be the promotion of self-reliance in developing countries, by building up, inter alia, their productive capability and their indigenous resources by increasing the availability of the managerial, technical, administrative and research capabilities required in the development process". 27/ It was at this time that

27/ See Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 2A (E/5703).

UNDP officially introduced "national officers" into its field establishment. Even earlier, in 1960, the Executive Board of UNICEF had authorized the organization to develop the practice of employing "national officers" in continuing country-based programmes benefiting women and children. Both UNDP and UNICEF had since gained considerable experience in employing national professionals and had found the arrangement to function to their complete satisfaction and what was even more important to that of the Member States concerned. Again the desirability of giving greater recognition to the role of national professionals in United Nations information centres had been emphasized in the course of the current review by the United Nations of its public information activities.

302. Like previous review bodies, CCAQ was faced with the difficulty of reconciling the employment of national professionals on conditions other than those of the international Professional category with the over-all pattern of the division of the staff into a Professional category, internationally recruited and remunerated according to a uniform world-wide scale, and a General Service category, locally recruited for the most part, not subject to transfer and remunerated according to the best prevailing local rates. The decision to organize the secretariats in that way had been taken over 30 years ago when the programmes of the organizations as then conceived were very different from what they have since become; it would certainly need to be re-examined in the light of evolving circumstances in the future. In the meantime, given the evidence that national professionals fill a need in certain types of national development and other activities, CCAQ considered that the "national professional" arrangement can be maintained in those few organizations where it already existed or might prove necessary, provided that the limits and conditions of its utilization were clearly defined.

303. CCAQ considered that the fundamental criterion must be that national professionals shall be employed only for functions at field offices which by their very nature require national knowledge and experience and so cannot be carried out as effectively by international professionals. No post the functions of which do not comply with that criterion may be occupied by a national professional. The functions in question should be justifiable within the over-all efforts of the United Nations system to increase national development and other capabilities; they would be such that the intention would be to hand them over to the host government (or appropriate institutions of the country) when the government so wishes. The duration of particular national professional functions should thus be limited. Nationals - by definition, nationals of the country where they are to serve - should be recruited locally and not subject to assignment to any duty station outside their own country. Given the professional nature of their functions, these staff members should not be remunerated according to General Service or Extended General Service salary scales; any existing national professional posts with functions as described above should be removed from these categories. As the national professionals would perform functions requiring local experience, would be recruited on an exclusively local basis and would not be subject to expatriation, their remuneration should be based on the same principle as governs that of all other locally-recruited staff in the United Nations system, i.e., the best prevailing conditions in the locality for nationals carrying out functions of the same level. Job descriptions for national professional posts should clearly indicate those functions which require national knowledge and experience, as the justification for the inclusion of the post in the category. The work called for should correspond to professional level work as determined by the methodology established by the Commission for distinguishing between Professional and General Service level work and posts should be classified

in accordance with common system job classification standards established by the Commission. The same staff regulations and rules as apply to other locally-recruited staff should apply in principle to national professionals. Their contractual status should be governed by the expected duration of the functions for which they are appointed.

304. The representative of FICSA recalled that the position of the staff had been set forward clearly at the Commission's third session. FICSA strongly supported the recruitment of national staff not only to broaden the cultural background of the international civil service, but also to make it possible for citizens of all Member States to participate in international development co-operation. However, it strongly objected to the classification of such staff in an intermediary category between the General Service and Professional levels. This was clearly a breach of the principle of equal pay for work of equal value in that such staff carried out Professional-level duties and responsibilities but were paid only General Service level salaries. Since the remuneration received by such staff could be as low as 23 per cent of that received by international Professionals performing similar level duties and responsibilities, the practice was obviously a way of obtaining low-cost labour. Furthermore, it was also a clear case of discrimination on the basis of nationality, in that the arrangement existed primarily in field duty stations located in developing nations. This was evident in that French citizens serving in Paris, Swiss citizens serving in Geneva and United States citizens serving in New York who performed Professional level duties and responsibilities were always classified and paid as international professionals and not as local or national professionals. The representative of FICSA considered the arrangement as a threat to the international civil service particularly since the use of such staff had grown within organizations despite the Commission's specific request that the use of such staff not be increased pending its study of the problem. Furthermore, there were no assurances that the practice would not be extended to other organizations. The Federation strongly believed, therefore, that organizations should continue to hire national staff, but that such staff should be classified and paid on the basis of the functions performed; if these were of General Service level then local general service salary scales should be employed, and if these were of Professional level then international professional salary scales should be used. Differences in conditions of employment for staff performing the same levels of duties and responsibilities was a situation which the Federation believed should not be tolerated within the common system. FICSA looked towards the Commission for providing a just solution to this serious problem.

305. The representative of UNICEF welcomed the study of local professionals by the Commission. He reported that since the data had been provided to the ICSC secretariat the numbers of such staff had grown from 119 to 134. Local Professionals were an important aspect of UNICEF development efforts, and it was clearly the organization's intention to make greater use of such staff in the future. The international civil service had changed from the time when it basically ensured only secretariat services to the present when it is deeply involved in development activities. UNICEF's mandate required that it provide services for the poorest groups of people in the poor countries, and these involved for the most part women and children. While the functions of local professionals were broadly similar to those of international professionals, local professionals offered a knowledge of local languages, history, culture and administrative machinery that expatriate staff could not. In many cases, therefore, they worked more effectively than expatriate staff and they also provided continuity and

stability to the field offices. While other organizations made use of national staff as counterparts provided by governments, this was not possible for UNICEF, given the different nature of its programming. The functions of UNICEF were UNICEF functions and could not be handed back to national governments. With regard to the question of the principle of equal pay for work of equal value it was clear that if this were applied universally General Service staff would have to receive the same salary world-wide. Furthermore, there was an expatriation element in the remuneration of international professionals which should not be paid to local professionals who are not expatriated or subject to expatriation. It was perfectly justifiable, therefore, to establish the remuneration of such staff on the basis of the best prevailing local conditions, as was done for the General Service category. That was the proper interpretation of the principle of equal pay for work of equal value. When UNICEF introduced the arrangement of local professionals it did not intend that the practice be extended within the international civil service. UNICEF looked to the Commission for providing the favourable decision of continuing the arrangement.

306. The representative of UNDP stated that the use of local professionals was considered essential by his organization. While UNDP employed 67 local professionals, the number of such posts approved in the organization's current budget had been increased to 102. The organization intended to hire more local professionals and, in fact, would have already done so had the Commission not requested in 1976 that the numbers of such staff be restricted pending its further study of the question. UNDP therefore welcomed the Commission's study and hoped that it would result in approval of the local professional category. Local professionals were becoming an important additional force in UNDP programming efforts. In addition to the benefits of such staff already cited, local professionals also helped define, design and gather important data on projects and therefore provided an invaluable input to programming. The question of equal pay for work of equal value surely depended on the yardstick of comparison used. It could be asked if it was equitable or, for that matter, conducive to programme effectiveness, if local professionals were to receive wages considerably higher than those of government officials and other counterparts in the country with whom the local professionals had often to work on a daily basis. Furthermore, the organization's goal was to increase national development capabilities and therefore hand over eventually to the host government the functions normally performed by local professionals: this would not be facilitated if considerably higher wages were paid to the staff concerned, since they would be reluctant to revert, when the time came, to positions offering significantly lower salaries. There were global inequities of pay which no policy on local professionals could solve. The proper practice therefore was to pay local professionals as UNDP did, according to the best prevailing local conditions offered in the government, industries or universities of the country for similar level duties and responsibilities. UNDP did not consider that within a system employing some 46,000 staff the employment of 300 staff under the local or national professional arrangement could be seen as a threat to the international civil service; particularly in so far as the definition proposed for such posts by CCAQ was narrow and did not lend itself to proliferation. It was clear that the arrangement would be restricted to local development efforts only and would not apply to regional or headquarters offices. In view of the need for such an arrangement and the limited nature of its application, UNDP strongly urged the Commission to give favourable consideration to the employment of local or national professionals.

307. The representative of IAEA considered that the views of CCAQ made it clear that the question related basically to UNICEF, UNDP and the United Nations information centres. The extended G-8 salary scale used to employ the 68 staff members at the agency had been developed when it was found that the existing general service salary scales did not provide adequate rates of pay in respect of what was offered for similar levels of responsibility on the local market. The reasons for establishing the G-8 salary scale, therefore, were entirely different from those described by the organizations employing local professionals. Furthermore, the agency had no intention of increasing the numbers of such staff. On the contrary, it was the agency's present policy to reclassify any G-8 post that became vacant as either G-7 or Professional (depending on the level of duties performed) before a new incumbent was recruited.

308. The representative of the ILO agreed that the question related to UNICEF, UNDP and the United Nations information centres only. With regard to the ILO, the branch office professionals had been established as early as 1927 for entirely different reasons. Furthermore, it was the declared long-term policy of the Director-General to abolish the differences in conditions of service between branch offices and other ILO offices and to place the former on the same footing as the latter on the basis of the principle of ensuring equal pay for work of equal value. It was the organization's intention, therefore, to abolish this separate category of staff.

309. The Commission considered that the G-8 staff employed at IAEA and the branch office staff of the ILO could not be grouped with the local professionals of UNICEF, UNDP and the United Nations information centres as such staff were employed for entirely different reasons and under different circumstances. It noted that both organizations were in the process of eliminating such employment practices and, with respect to IAEA, noted with satisfaction this development as positions in which professional duties were performed should not be placed in the general service category. With regard to local professionals employed by UNICEF, UNDP and the United Nations information centres, the Commission observed that there were different interests influencing the debate on this issue - those of Member States, of organizations, of professional and of general service staff. While all of these were valid, priority should nevertheless be given to those of Member States. The local professional arrangement was in many ways responsive to the needs of Member States and in particular to those of developing countries. Besides fulfilling many of the needs described by CCAQ the arrangement also had the advantage of associating recipient countries more intimately in the national development process. The arrangement did not develop as a means of seeking inexpensive labour nor greater economies as had been alleged but rather to respond more efficiently and effectively to differing development needs.

310. The Commission decided, therefore, to permit the employment of such staff to continue under the conditions defined in paragraph 303 above, and to keep the arrangement under review in the future. To this effect, the Commission requested CCAQ to provide specific information to the Commission each year at its summer session on: (a) the numbers of local or national professionals employed by each organization, (b) the grade levels at which such staff are employed, and (c) the intention of any organization to begin employing such staff prior to actually doing so.

CHAPTER VIII

OTHER BUSINESS

A. Review of the statute and rules of procedure

311. The Commission felt, that in the light of the experience it has had over the last five years, it should look into the statute and rules of procedure and decided, at its eleventh session, to appoint a working group to review the statute and rules of procedure. The working group met at Geneva for 7 to 11 July 1980. The report appears in annex XVII.

312. The Commission, at its twelfth session, welcomed the report of the working group and decided to direct its Executive Secretary to undertake a detailed study of the articles and rules of procedure. if necessary with the help of a consultant. As a first step, he should prepare an annotated outline of points that need to be considered at the thirteenth session. The study should take into account the historical background of the statute particularly article 4 which deals with the appointment of the Chairman, Vice-Chairman and members of the Commission and article 20 dealing with the selection of the staff. The study of the Executive Secretary would be considered by the Commission in its thirteenth session and it would then consult CCAQ and FICSA.

313. The Commission also agreed to inform the Secretary-General through its Acting Chairman that the members would be appreciative if the Secretary-General would take into account the views and interests of the members of the Commission on the appointment of its Chairman and Vice-Chairman.

314. Two members felt that CCAQ and FICSA should have been consulted about this communication.

B. Administrative and budgetary matters

315. The Commission, at its eleventh session, considered a recommendation from its Advisory Committee on Post Adjustment Questions (ACPAQ) and supported by CCAQ and FICSA, that the resources of the Commission's Cost-of-Living Section should be strengthened, both in terms of posts and of computer facilities. One vacant Professional post in the secretariat was temporarily redeployed as an interim measure, to be used for recruitment of a statistician to undertake research needed for refining existing procedures. An assessment of resources needed was requested for the twelfth session.

316. A document was before the twelfth session outlining resources needed at the earliest opportunity, i.e. 1981. It was explained that the workload required for maintenance of the post adjustment system steadily increased as new duty stations were added to the system and that such aspects as the data gathering and calculations required for the rental subsidy system and special measures required by continual devaluations of currency had added to the calculation burden. Delays were occurring in the reporting of survey results and excessive overtime work was required to keep post adjustment classifications timely.

317. It had therefore been proposed by the Executive Secretary to request a minimal reinforcement of the Section as a supplementary budget request and to make a comprehensive review of resources required for carrying out all aspects of the Section's responsibilities in time for inclusion of needed additional resources in the 1982-1983 programme budget proposals.

Views of CCAQ and FICSA

318. The Chairman of CCAQ reported that CCAQ had discussed with the Commission's secretariat both the proposal for expansion of the Cost-of-Living Section and means of finding qualified candidates to fill vacant posts in the section. CCAQ agreed that it was essential for the efficient operation of the post adjustment system that the functions of the Cost-of-Living Section be performed promptly and in such a way as to command the confidence of all concerned. To that end, the Section must be allocated the staff needed to keep pace with a workload which continued to increase in complexity and volume. In compliance with the terms of article 21 of the statute, the supplementary estimates established by the Secretary-General would be examined on behalf of ACC by CCAQ (FB) at its meeting in September 1980. Meanwhile, CCAQ was convinced that in filling vacancies in the Section, and in particular in finding a replacement for its Chief, one should seek both for statistical competence and for practical experience in cost-of-living problems in developing as well as in developed countries. Technical qualifications must in this instance be given precedence over all others. CCAQ would continue to make every effort to find suitable candidates, from within the system if possible but, failing that, from outside.

319. The representative of FICSA strongly supported the request for the additional posts and urged that computer facilities be expanded. It was also suggested that budgetary provision be made for more frequent meetings of ACPAQ. Were a special or modified index for pensioners to be decided upon, this would also require additional resources.

Conclusions of the Commission

320. The Commission reiterated its request for an assessment of the over-all needs of the Cost-of-Living Section, stressing that this unit, charged with calculations of post adjustment indices, was perhaps the most important unit of the secretariat; timeliness and accuracy were crucial since an index point could have very large cost implications. It should be borne in mind that substantial funds were involved in such decisions each year. The work should be done to the greatest extent possible by the secretariat or under close monitoring by staff of the Section, including price collection activities.

321. The need to recruit well-qualified staff and to fill posts rapidly was mentioned and it was felt that technical background and competence was the most important consideration. Should the combination of experience in the subject and familiarity with the United Nations system be impossible to find, in view of the fact that work of this nature was not carried out in the system outside the Commission's own secretariat, expertise should take precedence. Measures should be taken for locating suitable candidates and/or preparing present staff for undertaking greater responsibilities, given the unique character of the work.

322. The Commission decided that a request for minimal resources as outlined below should be submitted to the General Assembly at its thirty-fifth session.

Estimated total financial implications of
the present proposal for the year 1981

(Calculated at standard rates expressed
in United States dollars)

	Statistician <u>P 3</u>	Research Assistant <u>G-5</u>	Senior Statistical Clerk <u>G-4</u>	Total
Established posts	23,500	18,100	13,100	59,700
Common staff costs	9,100	5,800	4,200	19,100
Rental of premises (incl. one time alterations)	3,800	3,300	3,300	10,400
Furniture and equipment	1,600	3,100	3,100	7,800
Miscellaneous	1,000	1,000	1,000	3,000
TOTAL	<u>44,000</u>	<u>31,300</u>	<u>24,700</u>	<u>100,000</u>

323. The Commission also requested the Executive Secretary to submit a study of long-term needs together with clear data justifying additional resources needed.

C. Survey of local conditions relevant to determining
conditions of service for area staff of UNRWA

324. At its eleventh session, the Commission considered a request from the Commissioner-General of UNRWA that the Commission take responsibility for carrying out surveys to determine the local conditions by reference to which the pay and other conditions of service of the UNRWA area staff should be established. This request gave priority to a first survey in the West Bank (covering Gaza, as well), to be followed by one in the Syrian Arab Republic, and, subject to specific requests, eventually also in Lebanon and Jordan. The Commission was informed by the representative of the Commissioner-General of the characteristics and special status of the 16,500 area staff of UNRWA as well as of the memorandum of understanding concluded between the Commissioner-General and the staff representatives, in which it had been agreed to request ICSC to undertake the surveys. All members of the Commission recognized the importance of the determination of appropriate levels of remuneration for so large a group of staff and were concerned that the Commission should not have to refuse the request for assistance addressed to it (albeit without prior consultation) by the Commissioner-General in fulfilment of an agreement concluded with his staff.

325. The Commission reviewed, at that session, inter alia, the statutory basis for a possible involvement in the matter, the practical ability to undertake the survey in light of the available resources, the issue of who would be responsible for the implementation of the survey results in view of their possible implications for

UNRWA's financial situation and the modalities by which the Commission would review the survey results. The following decisions were then taken by the Commission:

(a) To undertake responsibility for a survey of local conditions relevant to the conditions of employment of area staff of UNRWA, in the first place in the occupied territories, to be carried out with the assistance of a consultant to be engaged by the Commission at the expense of UNRWA;

(b) To delegate to a panel of its members the responsibility for examining the survey report, hearing the views of administration and staff and making recommendations, in the name of the Commission and on its behalf, directly to the Commissioner-General of UNRWA with copy to the Secretary-General of the United Nations; the panel was to meet prior to the Commission's twelfth session and report back to the Commission at that session on the discharge of the functions delegated to it.

326. At its twelfth session, the Commission was informed that unavoidable delays had been encountered both in the preparation for the survey and in the data collection, and it therefore had been impossible for the consultant to complete the analysis of the data and the survey report in time for meeting of the panel prior to the twelfth session. The Commission was also advised of a letter received by the Acting Chairman from the Commissioner-General of UNRWA, in which he reiterated his desire to receive the recommendations resulting from the survey in the West Bank at the earliest possible date, and specifically requested of the Commission the carrying out of surveys, first in the Syrian Arab Republic, then in Lebanon and eventually in Jordan, after the first survey in the West Bank was completed. The Commissioner-General stated that he was prepared to reimburse the costs of engaging a consultant as well as those costs involved in the meetings of the panel members if these occurred outside normal sessions of the Commission.

327. The Commission heard the views of the representative of UNRWA and, through him, the views of the staff and took the following decisions at the outcome of its deliberations:

(a) To reconfirm its intention to complete in the first place the survey of local conditions relevant to the conditions of employment of UNRWA area staff in the West Bank (including Gaza staff as well), to extend the appointment of the members of the panel and to schedule the meeting of the panel, with regard to the survey in the West Bank, for 6 to 10 October 1980 in Vienna;

(b) To approve in principle the undertaking of surveys in the Syrian Arab Republic and Lebanon relevant to the conditions of employment of UNRWA area staff in those locations, with the assistance of a consultant or consultants to be engaged by the Commission and responsible for the data collection, analysis and report writing, under the guidance and supervision of the secretariat, the expense of the consultant(s) and other survey-related costs, including travel of Commission and secretariat members, to be borne by UNRWA;

(c) To schedule, in principle, the data collection for the survey in the Syrian Arab Republic for the fourth quarter of 1980, to allow the panel to review the survey report prior to the thirteenth session of the Commission, and to schedule the data collection for the Lebanon survey

for 1981, to permit the consideration of the survey results by the panel prior to the fourteenth session of the Commission:

(d) To request its secretariat to work out the details for the conclusion of the survey in the West Bank and the preparations of the surveys in the Syrian Arab Republic and Lebanon, in consultation with the UNRWA administration and area staff.

D. Death grant benefits

328. The General Assembly, in section II, paragraph 2, of its resolution 34/165, requested the Commission to examine the possibility of establishing a contributory system of death grant benefits. At its eleventh session, the Commission requested its secretariat to study the matter of death grant benefits in light of that resolution and report back to the Commission at its twelfth session.

329. The ICSC secretariat's findings following a study of the question of installing a contributory system of death grant benefits was presented to the Commission at its twelfth session.

330. The Commission noted that while there were approximately 41,000 staff members working for all organizations of the common system as at 31 December 1979, whose families were potential beneficiaries in the event of death of the staff member, the total benefits paid in 1979 amounted to \$US 774,000 or disbursements equivalent to \$19 per staff member.

331. The Commission further noted that death grant benefits are payable to survivors of all staff members, regardless of their category and that benefits are related directly to salaries. Since the General Service salaries expressed in terms of United States dollars vary considerably from one duty station to another, a complex system of contributions would have to be developed worldwide. It agreed that the administrative costs involved in the collection of contributions from staff, regardless of what formula was used in the distribution of the over-all costs, would be disproportionately high even in relation to the disbursements reported in 1979 (the highest annual expenditure reported for the period 1975 to 1979).

332. Considering the administrative difficulties and the related expenses the organizations would incur in the event of the installation of a contributory death grant benefit system, the Commission concluded that the changeover to a contributory system was not justifiable on the grounds of cost considerations.

333. The General Assembly may recall that the Commission had considered, at its seventh session, the possibility of replacing the "self-insurance" scheme which is used at present with a commercial insurance under which staff and organizations would contribute two thirds and one third respectively. It had concluded, at that time, that the organizations' share of the premia would amount to more than three times the amount spent on death grant benefits and had, therefore, rejected this approach. 28/

334. The Commission, therefore, recommends to the General Assembly that no change be made to the present death grant benefit scheme.

28/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 30 (A/33/30), para. 192.

ANNEX I

Comparison of average net remuneration of United Nations officials
in New York and United States officials in Washington
October 1979 to September 1980

(Forecast as at June 1980)

United Nations, New York		United States, Washington, D.C.			Ratio UN/US (US/Wash = 100)	Weights for calculation of overall ratio <u>c/</u>	
Grades	Net remuneration <u>a/</u>	Grades	Net remuneration per grade <u>b/</u>	Weights			
P1/1	17,590	GS 9/1	14,374	100	14,374	122.4	2.3
P2/1	22,222	GS 11/1 GS 12/1	16,984 19,980	62 38	18,122	122.6	13.2
P3/1	26,773	GS 12/1 GS 13/1	19,900 23,199	45 55	21,750	123.1	24.1
P4/1	31,981	GS 13/1 GS 14/1	23,199 26,747	33 67	25,576	125.0	28.9
P5/1	38,522	GS 15/1 SES 3 SES 4	30,605 36,548 37,545	85 2 13	31,626	121.8	20.9
D1/1	42,589	SES 4	37,545	100	37,545	113.4	7.8
D2/1	48,339	GS 17/1 GS-18 E-V SES-4 SES-5 SES-6	39,293 44,411 37,960 37,545 38,532 39,507	6 1 1 43 32 17	38,372	126.0	2.8
Weighted average ratio					122.6		
Cost of living ratio New York/Washington: 105.7							
Weighted average ratio, adjusted for cost of living					116.0		

a/ Includes post adjustment of: 5 months at class 8 (multiplier 48)

5 months at class 9 (multiplier 55)

2 months at class 10 (multiplier 63)

b/ Published salary rates effective 1 October 1979.

c/ These weights correspond to the United Nations common system staff in Grades P-1 to D-2 inclusive, serving at headquarters and established offices as at 31 December 1979.

Weights for calculation of overall ratio c/
2.3
13.2
24.1
28.9
20.9
7.8
2.8

ANNEX II

GROSS SALARIES AND NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT
(SUGGESTED SALARY SCALES AFTER CONSOLIDATION OF 30 POINTS)

GRADE	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
USG	96765											
NET D	55076.65											
NET S	50011.58											
ASG	85864											
NET D	50524.66											
NET S	46042.42											
D-2	67009	68931	70908	72927								
NET D	42172.19	43051.95	43561.60	44850.15								
NET S	38226.70	39407.34	40100.97	41009.73								
D-1	55919	57732	59531	61342	63193	64998	66755					
NET D	36939.12	37809.36	38672.88	39537.03	40397.75	41237.07	42054.08					
NET S	33997.58	34768.10	35532.68	36297.57	37058.33	37800.18	38522.31					
P-5	48461	50086	51495	52856	54218	55405	57005	58405	59818	61231		
NET D	33318.33	34041.00	34745.50	35426.00	36107.00	36788.40	37460.40	38132.40	38810.64	39485.42		
NET S	30776.32	31420.27	32047.28	32652.92	33259.01	33864.13	34459.13	35054.13	35654.65	36251.95		
P-4	38167	39298	40630	41862	43101	44367	45627	46887	48211	49547	50884	52173
NET D	27611.52	28300.18	28990.80	29680.72	30371.53	31042.51	31710.31	32378.11	33079.83	33771.50	34440.00	35084.50
NET S	25771.67	26288.40	26905.63	27522.87	28140.88	28740.96	29338.20	29935.44	30563.02	31180.42	31775.38	32348.99
P-3	30518	31589	32648	33713	34814	35939	37055	38157	39202	40237	41282	42315
NET D	23103.90	23757.29	24403.28	25031.54	25670.12	26322.62	26965.90	27605.92	28191.12	28770.72	29355.92	29934.40
NET S	21600.46	22192.72	22778.35	23345.90	23921.73	24510.10	25093.77	25666.66	26190.21	26708.74	27232.29	27749.82
P-2	24233	25097	25967	26832	27706	28589	29492	30387	31285	32184	33078	
NET D	19194.79	19739.11	20287.21	20832.16	21382.78	21927.29	22478.12	23024.07	23571.85	24120.24	24663.24	
NET S	18026.91	18527.17	19030.90	19531.73	20037.79	20533.72	21033.08	21528.02	22024.61	22521.76	23013.80	
P-1	18200	18964	19740	20516	21318	22120	22935	23724	24513	25285		
NET D	15166.00	15693.16	16228.60	16748.56	17277.68	17807.20	18345.10	18865.84	19371.19	19857.55		
NET S	14304.00	14792.96	15289.60	15770.25	16258.67	16747.08	17243.42	17723.92	18189.03	18656.02		

O = RATE APPLICABLE TO STAFF MEMBERS WITH A DEPENDANT SPOUSE OR CHILD.
S = RATE APPLICABLE TO STAFF MEMBERS WITHOUT A DEPENDANT SPOUSE OR CHILD.

SSMENT

----- X XI XII XIII -----

1231
5.42
1.95

9547 50884 52173
1.50 34440.00 35084.50
0.42 31775.38 32348.99

0237 41282 42315 43375
0.72 29355.92 29934.40 30516.75
8.74 27232.29 27749.82 28270.75

2184 33078
0.24 24663.24
1.76 23013.80

5285
7.55
6.02

ANNEX 111

SCHEDULES OF POST ADJUSTMENTS (AMOUNT PER INDEX POINT IN US DOLLARS
 (1) ADDITIONS (WHERE COST OF LIVING IS HIGHER THAN AT BASE)
 (SUGGESTED SALARY SCALES AFTER CONSOLIDATION OF 30 POINTS)

GRADE	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	X
USG D	454.19											
S	412.04											
ASG D	416.77											
S	379.37											
D-2 D	347.25	354.80	362.31	369.82								
S	318.40	324.91	331.73	338.24								
D-1 D	315.32	320.80	325.96	331.42	336.61	342.16	347.44					
S	290.33	295.35	299.78	304.49	308.95	313.76	318.56					
P-5 D	289.79	294.25	298.49	302.78	307.64	311.64	316.55	321.16	325.73	330.02		
S	267.75	271.75	275.52	279.31	283.70	286.94	291.36	295.46	299.28	303.39		
P-4 D	242.89	248.36	253.86	259.02	265.11	269.72	274.34	278.97	283.81	289.93	295.70	30
S	225.65	230.61	235.60	240.30	245.58	249.72	253.83	257.96	262.35	267.64	272.98	27
P-3 D	203.93	209.79	215.03	220.02	225.58	231.16	237.00	242.90	247.34	251.80	256.53	26
S	190.21	195.56	200.31	204.77	209.84	214.89	220.26	225.35	229.59	233.54	238.06	24
P-2 D	169.42	174.53	179.03	183.88	188.67	193.50	198.32	202.84	207.66	212.49	217.00	
S	159.05	163.32	167.60	171.92	176.50	180.81	185.11	189.40	193.72	198.00	202.30	
P-1 D	135.08	139.65	144.18	148.74	153.30	157.84	162.69	166.66	170.94	175.22		
S	126.91	131.23	135.53	139.84	144.16	148.19	152.50	156.24	160.29	164.03		

D = RATE APPLICABLE TO STAFF MEMBERS WITH A DEPENDANT SPOUSE OR CHILD.
 S = RATE APPLICABLE TO STAFF MEMBERS WITHOUT A DEPENDANT SPOUSE OR CHILD.

S DOLLARS
BASE)
NTS)

X XI XII XIII

330.02
303.39

289.93 295.70 301.26
267.64 272.98 278.03

251.80 256.53 260.99 266.06
233.54 238.06 242.00 246.59

212.49 217.00
198.00 202.30

175.22
164.03

ANNEX III

SCHEDULES OF POST ADJUSTMENTS (AMOUNT PER INDEX POINT IN US DOLLARS
(1)) DEDUCTIONS (WHERE COST OF LIVING IS LOWER THAN AT BASE)
(SUGGESTED SALARY SCALES AFTER CONSOLIDATION OF 30 POINTS)

GRADE	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
USG D	440.37										
S	399.50										
ASG D	404.19										
S	367.96										
D-2 D	336.77	344.05	351.33	359.70							
S	308.72	315.14	321.60	328.07							
D-1 D	295.35	302.25	309.15	316.05	322.93	329.55	335.97				
S	271.97	278.14	284.26	290.38	296.46	302.31	308.01				
P-5 D	266.47	272.23	277.83	283.20	288.66	293.97	299.38	304.74	310.15	315.51	
S	246.20	251.36	256.35	261.16	266.04	270.73	275.55	280.33	285.10	289.91	
P-4 D	220.88	226.40	231.92	237.44	242.97	248.25	253.49	258.73	264.23	269.79	275.28
S	205.18	210.17	215.16	220.15	225.09	229.84	234.54	239.24	244.18	249.14	254.00
P-3 D	184.83	190.05	195.22	200.25	205.35	210.57	215.75	220.84	225.52	230.16	234.88
S	172.47	177.22	181.91	186.47	191.11	195.85	200.54	205.14	209.36	213.54	217.76
P-2 D	153.39	157.91	162.29	166.65	171.06	175.41	179.82	184.19	188.57	192.95	197.33
S	143.80	147.88	151.92	155.88	159.93	163.89	167.80	171.91	175.88	179.86	183.88
P-1 D	121.27	125.47	129.72	133.94	138.15	142.36	146.67	150.74	154.85	158.85	
S	114.10	118.02	122.00	125.94	129.82	133.66	137.59	141.33	145.12	148.76	

D = RATE APPLICABLE TO STAFF MEMBERS WITH A DEPENDANT SPOUSE OR CHILD.
S = RATE APPLICABLE TO STAFF MEMBERS WITHOUT A DEPENDANT SPOUSE OR CHILD.

IT IN US DOLLARS
 (BASE AT 1945)
 (POINTS 30)

IX X XI XII XIII

10.15 315.51
 85.10 289.91

64.23 269.79 275.29 280.54
 44.18 249.14 254.08 258.78

25.52 230.16 234.84 239.47 244.12
 09.36 213.54 217.80 221.97 226.15

88.51 192.95 197.30
 75.88 179.86 183.83

54.85 158.85
 45.12 148.76

ANNEX IV

Suggested scales of staff assessments
after consolidation of 30 points

Gross salary bracket	Gross salary level	For staff with dependants				For staff without		
		Percent rate	Amount of assessment	Cumulative amount	Cumulative percent/	Percent rate	Amount of assessment	
First 16,000	16,000	14.7	2,352	2,352	14.7 (18.2)	19.4	3,104	3,104
Next 4,000	20,000	31.0	1,240	3,592	17.0 (21.4)	36.0	1,440	4,544
4,000	24,000	34.0	1,360	4,952	20.0 (24.0)	39.1	1,564	6,108
4,000	28,000	37.0	1,480	6,432	22.0 (26.3)	42.1	1,684	7,792
5,000	33,000	39.0	1,950	8,382	25.0 (28.8)	44.7	2,235	10,027
5,000	38,000	42.0	2,100	10,482	27.0 (31.1)	47.7	2,385	12,412
5,000	43,000	44.0	2,200	12,682	29.0 (33.0)	49.9	2,495	14,907
6,000	49,000	47.0	2,820	15,502	31.0 (35.1)	52.6	3,156	18,063
6,000	55,000	50.0	3,000	18,502	33.0 (37.0)	55.5	3,330	21,393
6,000	61,000	52.0	3,120	21,622	35.0 (38.6)	57.5	3,450	24,843
7,000	68,000	53.5	3,745	25,367	37.0 (40.4)	58.9	4,123	28,966
7,000	75,000	55.0	3,850	29,217	38.0 (42.1)	59.9	4,193	33,159
7,000	82,000	56.0	3,920	33,137	40.0 (43.6)	60.9	4,263	37,422
8,000	90,000	57.0	4,560	37,697	41.0 (45.0)	62.1	4,968	42,390
Over 90,000		59.0				64.5		

For: staff without dependants

Amount of assessment	Cumulative amount	Cumulative percent
3,104	3,104	19.4 (23.1)
1,440	4,544	22.0 (26.4)
1,564	6,108	25.0 (29.0)
1,684	7,792	27.0 (31.4)
2,235	10,027	30.0 (34.0)
2,385	12,412	32.0 (36.3)
2,495	14,907	34.0 (38.3)
3,156	18,063	36.0 (40.4)
3,330	21,393	38.0 (42.3)
3,450	24,843	40.0 (44.0)
4,123	28,966	42.0 (45.8)
4,193	33,159	44.0 (47.4)
4,263	37,422	45.0 (48.9)
4,968	42,390	47.0 (50.3)

ANNEX V

PENSIONABLE REMUNERATION FOR PROFESSIONAL AND HIGHER CATEGORIES AND, FOR PURPOSES OF SEPARATION PAYMENTS, NET EQUIVALENT AFTER APPLICATION OF STAFF ASSESSMENT (SUGGESTED SALARY SCALES AFTER CONSOLIDATION OF 30 POINTS)

GRADE	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
USG PR	111279											
NET D	61027.70											
NET S	46274.70											
ASG PR	98743											
NET D	55667.88											
NET S	41134.88											
D-2 FA	77060	79270	81544	83866								
NET D	46689.56	47662.09	48662.45	49665.41								
NET S	32244.75	33150.97	34083.13	35035.09								
D-1 PR	64306	66391	68460	70543	72671	74747	76768					
NET D	40915.69	41885.19	42840.30	43777.49	44735.38	45669.47	46561.03					
NET S	27015.81	27870.64	28718.87	29572.76	30445.50	31296.56	32124.99					
P-5 PR	55960	57598	59219	60784	62350	63945	65555	67165	68790	70415		
NET D	36958.88	37745.48	38523.24	39274.52	40006.08	40747.78	41496.43	42245.08	42908.82	43720.05		
NET S	23593.67	24265.55	24929.90	25571.61	26213.79	26867.76	27527.86	28187.96	28854.19	29520.42		
P-4 PR	43692	45307	46724	48141	49566	51022	52471	53920	55442	56979	58516	59
NET D	30790.79	31541.09	32291.99	33042.89	33781.08	34509.03	35233.53	35958.03	36710.48	37447.95	38185.97	38897
NET S	18645.75	19226.16	19807.05	20387.94	20972.13	21569.05	22163.14	22757.23	23381.49	24011.42	24641.81	25249
P-3 PR	35095	36327	37545	38769	40036	41329	42613	43880	45082	46272	47474	48
NET D	25833.51	26547.87	27254.22	27969.18	28658.22	29382.72	30101.42	30784.70	31421.62	32052.46	32689.36	33319
NET S	15030.24	15544.22	16043.54	16545.68	17064.81	17595.24	18121.44	18641.03	19135.75	19621.75	20114.47	20601
P-2 PR	27867	28861	29862	30856	31861	32877	33915	34945	35977	37011	38039	
NET D	21484.81	22093.55	22703.86	23310.65	23923.76	24543.19	25149.17	25746.13	26345.10	26944.73	27540.24	
NET S	12075.86	12483.24	12893.45	13301.29	13713.38	14129.72	14555.48	14977.48	15400.88	15824.76	16246.28	
P-1 PR	20930	21808	22701	23593	24515	25438	26375	27282	28189	29077		
NET D	17021.80	17601.68	18190.66	18779.65	19372.90	19953.94	20544.41	21116.04	21683.87	22225.43		
NET S	9209.90	9587.70	9957.41	10323.30	10701.44	11079.58	11463.86	11835.87	12207.80	12571.88		

D = RATE APPLICABLE TO STAFF MEMBERS WITH A DEPENDANT SPOUSE OR CHILD.
S = RATE APPLICABLE TO STAFF MEMBERS WITHOUT A DEPENDANT SPOUSE OR CHILD.

FOR PURPOSES
OF ASSESSMENT
(TS)

X XI XII XIII

70415
3720.05
99520.42

56979 58516 59998
7447.95 38185.97 38897.50
4011.42 24641.81 25249.57

46272 47474 48662 49881
2052.46 32689.36 33319.00 33938.63
9621.75 20114.47 20601.53 21101.32

37011 38039
6944.73 27540.24
5824.76 16246.28

29077
2225.43
2571.88

ANNEX VI

The post adjustment system: principles, purpose and present operation

I. INTRODUCTION

1. The post adjustment system has been a part of the United Nations common system of staff remuneration for a quarter of a century. a/ Some changes have been made in it, in recent years mainly to adapt it to changing world economic and monetary conditions; but its basic structures have stood the test of time well, continuing to respond reasonably well to circumstances vastly different from those prevailing when it was conceived. Nevertheless, the strains imposed on the post adjustment system in recent years by rapid inflation in some countries and by extreme currency instability have brought about some difficulties in its working.

2. It is well then to begin an examination of the adequacy of the system in today's conditions and of improvements which might be made in it, by reviewing its purposes and the way in which it works. It will also be helpful in understanding its role and methods to compare it with systems used by national Governments and other employers for the remuneration of those of their staff who are assigned to work as expatriates outside their own countries.

II. THE PURPOSE OF THE SYSTEM

3. The post adjustment system serves the basic principle which is at the heart of the whole United Nations system of remuneration, namely, that staff members of the international civil service must be equally paid for work of equal value, irrespective of their nationality or of levels of pay in their own countries. b/ To admit discrimination in rates of pay between otherwise equal staff members of different national origins would be to destroy the unity and integrity of the international civil service. What is known as the Noblemaire principle, that the level of pay of the international civil service must be fixed by reference to that of the highest-paid national civil service, is in fact only a means to the attainment of this end; if the organizations are to be able (as they must) to

a/ General Assembly resolution 1095 (XI) of 27 February 1957.

b/ By para. 7 of its resolution 1095 (XI), the General Assembly amended annex I, para. 9, of the Staff Regulations of the United Nations as follows:

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

The present base is New York, November 1973.

recruit staff from any and all of their Member States, including those where pay levels are highest, the only way to respect the principle that all shall be paid equally is to pay all at a level which will attract those from the highest-paid national services. Consequently, the United Nations system has, for its internationally-recruited staff of the Professional and higher categories, a single uniform scale of base salaries, expressed in a single currency, the United States dollar. Were all the staff working in the same country it would suffice to apply to them all this single base scale to ensure that all would be treated equally. But for organizations which have staff stationed throughout the world, the problem has another dimension. It is not sufficient that staff members working in the same place are equally paid, it is necessary to ensure also that they are equally paid wherever they are assigned to work. In terms of the basic principle, discrimination in level of pay based on place of work is no less unacceptable than discrimination based on place of origin. It is also a necessity of practical management that differences in pay levels from one country to another should not inhibit the organizations in moving their staff from duty station to duty station as required.

4. The function of the post adjustment system is thus to add to or to subtract from the universal base salary the amounts necessary to ensure, to the fullest extent possible, that the remuneration of staff members of equal grade and step has an equal real value, or purchasing power, in all duty stations. It is consequently an integral part of the over-all system of remuneration and it differs in this respect from the expatriation or foreign service allowances provided by national civil services and other employers to their employees who are posted outside the home country. These allowances are intended only as an ad hoc supplement, compensating for the special and usually temporary expenses of expatriation, added on to the otherwise complete remuneration paid to the same civil servant or employee when he is working in his home country. Neither can post adjustment be assimilated to a cost-of-living allowance, which is temporary in concept and normally exists only until the base salary scale is revised and the allowance incorporated into it. Post adjustment is a permanent element of pay. The post adjustment system is a continuing mechanism for regulating the pay of an international expatriate service, without which the uniform, universal scale of base salary would be meaningless, the principle of equality of remuneration for all staff could not be respected and the practical management of world-wide operations would become impossible.

III. HOW IT WORKS

5. The function of the post adjustment system being to ensure that equal salaries provide equal purchasing power in different duty stations, it must take account of (a) the cost of living for staff at each duty station and (b) the exchange rate between the United States dollar (in which United Nations salaries and allowances are expressed) and the local currency (in which most of the staff member's day-to-day living expenses are incurred). To do this, it compares these data for each duty station with those for a city and at a date which are

determined as the point of reference. At present that point of reference is New York in November 1973. c/

A. Calculation of post adjustment amounts

6. The cost of living for an average international staff member in each duty station is measured by procedures described below (sects. V and VI). The cost measured is that in dollars, that is to say, that the costs in local currency are converted to dollars at the operational rate of exchange applied by the United Nations. For each percentage point by which this cost exceeds the cost at the point of reference, taken as 100, the post adjustment provides a supplement to base salary in the form of a flat sum, net of staff assessment. If the cost of living is less than the level determined to be 100, a deduction from base salary is made. The amount of the adjustment is a percentage of net base salary which varies with grade and step. For example, at grade P-1 step I the positive adjustment corresponding to one index point represents 0.89 per cent of net base salary; at grade D-2 step IV it is 0.83 per cent; and at the mid-point of the scale, P-4 step V, it is 0.87 per cent. The percentage rate is the same for staff members with dependants and those without dependants, but the actual dollar amounts are smaller for those without dependants, the net salary to which the percentage rate is applied being lesser for them (because of the higher rate of staff assessment which is applied in their case to the uniform gross salary). The negative adjustments represent a uniform value of 0.8 per cent per index point.

7. Three questions need to be answered:

(a) Why is the rate of compensation for a 1 per cent difference in the cost of living less than 1 per cent?

(b) Why is the rate of compensation greater for a P-1 than for a P-5?

(c) Why is the value of a point less in negative adjustments than in positive?

8. In answer to the first question, the most important reason why less than full compensation is provided is that every staff member contributes 7 per cent of his pensionable remuneration to the Pension Fund and this is not affected by the local cost of living; pensionable remuneration is notionally equal to gross salary and 7 per cent of gross salary represents on average 10 per cent of net salary. d/ In other words, post adjustment is only applied to the remaining 90 per cent of net

c/ The reference point could be any city in which there is a sufficiently large number of United Nations staff; Geneva was the base city between 1956 and 1974. There are, however, obvious advantages in taking as the base a city where the currency is the United States dollar and which is the point of comparison of the over-all level of remuneration with that of the country chosen as the comparator for the application of the Noblemaire principle. The reason why the base date is some years previous is related to the incidence of negative post adjustment and is explained in para. 24 below.

d/ It should be noted, however, that when pensionable remuneration stands, as it does at present, at 140 per cent of gross salary, 7 per cent of pensionable remuneration equals (at P-4 step V) 9.80 per cent of gross salary and 13.85 per cent of net base salary. The reason why pensionable remuneration is 40 per cent above gross salary is the high average level of post adjustment as measured by WAPA.

salary. It has also been maintained that since post adjustment is a net payment whereas cost-of-living adjustments are usually applied to gross, the effect of progressive income taxation should be reflected in post adjustment amounts. This notion, however, arises from an erroneous identification of the purpose of post adjustment with that of cost-of-living adjustments in domestic pay schemes. Post adjustment, on the contrary, exists for the purpose of equalizing real pay in all duty stations. It is not a cost-of-living adjustment; such adjustments are not part of the professional salary scheme since the adequacy of the level of pay is monitored by the Commission at each of its sessions under the Noblemaire principle.

9. It has been suggested that the staff member's pension contribution should be treated as an element of cost of living, in which case (since it is uniform in all duty stations and changes only when pensionable remuneration changes), the rise of the index in case of inflation would be slowed down, but increases would be compensated for fully, thereby correcting the in-built tendency of the existing arrangement to lower progressively the level of remuneration.

10. Secondly, the regression in the rates of compensation from the low grades to the high has been justified as a matter of social policy, based on the premise that the impact of higher costs is felt more severely by those with lower incomes than by those with higher incomes. The smaller dollar amount of compensation given to staff members without dependants reflects a similar assumption, that higher costs can be absorbed more readily by single staff members than by those with family responsibilities. Historically, the post adjustment system, like its forerunner cost-of-living adjustment system, has always contained an element of vertical regression. This regression, however, runs counter to the principle of equal pay for equal work.

11. Thirdly, the amount per index point which is deducted from base salary in duty stations where the post adjustment is negative is smaller than that which is added on in positive areas because it seems wise, in terms of personnel policy, to allow some greater margin for error of statistical measurement when deducting from pay than when adding to it. The percentage rate is constant at all grades for staff whether with or without dependants because, while the regression from low salary grades to high which exists for positive adjustments would have the opposite effect to that desired if applied for minus adjustments, in that it would deduct proportionately more from the low grades than from the high, it does not seem justified to reverse the ratio completely for making deductions from salary.

B. Changes due to costs of living

12. The post adjustment system measures living costs which are continually changing. The movement of the index for each duty station is monitored (how this is done is described in sect. V below); with regard to movements due to changes in the cost of living (as distinct from those resulting from variations in the exchange rate, dealt with in the following paragraph), when an index increases by 5 per cent above the level corresponding to the class of post adjustment currently being paid, the mechanism for the granting of an additional class is triggered. e/

e/ Before 1978. classes corresponded to five index points, e.g., 100, 105, 110 etc. The change to five percentage points of the previous level was proposed by ICSC, principally in order to slow down the ever-more-rapid changes of class which occurred when the index reached levels far above its base 100, where five index points could represent less than 3 per cent actual increase in cost of living.

In headquarters duty stations (and other main duty stations in Europe) the new class only becomes effective after a waiting period of four months, during which the index must not have fallen below the threshold level corresponding to the new class. In other duty stations, a change of class is implemented whenever the results of a comparative survey (place-to-place (P/P) or time-to-time (T/T) - see sect. V below) become available or on the occasion of a review of all such duty stations made every four months.

C. Changes due to currency exchange variations

13. Since the system, in order to be able to compare living costs incurred in many different currencies, translates them all to the United States dollar, it must also take into account changes in the exchange rate. The experience of the years since currency rates began to float freely has shown that in many duty stations these changes are so frequent and have such an immediate impact on pay in terms of local currency that it would not have been possible to take them into account only at the times when a full class change was due to occur either upwards or downwards. The salaries and allowances of the international staff are expressed in dollars but paid to them, in part, in local currency at the official (operational) rate of exchange determined by the United Nations for the month in question. If, by reason of a change in the exchange rate, one dollar buys more units of local currency this month than last month, then purchases made at the duty station cost the staff member proportionally less in dollars; conversely, if the local currency appreciates against the dollar, the cost of in-area purchases increases in dollar terms. To avoid windfall gains or losses to the staff, these changes must be reflected in the remuneration they receive month-by-month. For this purpose, the post adjustment index for each duty station is recomputed using the new exchange rate; however, only that part of the index relating to in-area expenditure in local currency is affected by the exchange rate. If the difference between the index f/ calculated at the old and the new exchange rates is at least two whole points, the corresponding amount is added on to or deducted from the post adjustment. g/

D. Is the system too sensitive?

14. In conditions of great instability of exchange rates such as exist today, changes in classes and fractional classes of post adjustment are very frequent; in some duty stations, they occur practically monthly. This may give the impression that the system is over-sensitive in its response to outside conditions, compared, for example, with some national systems in which salaries are adjusted only once a year. These systems, based in the national currency, are, of course, concerned only with cost increases and not with the currency exchange factor.

f/ The index which is recomputed is that of four months previous (called the "key index") in duty stations where the four-month waiting period rule applies, the latest available index in other duty stations. Exceptions are authorized, however, in cases of massive devaluations or of steady and continuous devaluation (see paras. 46-48).

g/ Movements of less than two points may be accumulated and carried forward from one month to the next until an amount sufficient to justify a change is reached, provided that in the meantime the post adjustment class has not been revised for some other reason.

However, it must be borne in mind that over the years most of the changes reflecting exchange rate variations have been downward adjustments, to reduce post adjustment when the local currency was devalued against the dollar; if these were not implemented from the next month, overpayment of staff would result.

15. If one considers the cost-of-living factor alone, it is also evident that the rate of inflation, running into three digits in some Member States in recent years, has been such that a system of annual adjustments for cost increases which might be found acceptable in countries with a much lower rate of inflation would not have been suitable for international staff in countries with high rates of inflation, any more than it is found feasible by the Governments of those countries for their own national civil servants. The goal of the post adjustment system being equitable treatment of staff everywhere, it would run counter to the purpose of the system to limit cost-of-living adjustments to once-a-year changes in some countries.

E. How the system is managed

16. The frequent changes in classes and fractional classes of post adjustment, duty station by duty station, are thus an inevitable feature of the system in existing world economic and monetary conditions. The determination of changes to be made is the responsibility of the International Civil Service Commission, under article 11 (c) of its Statute; they are calculated by the Commission's secretariat and approved by the Chairman of ICSC (acting under a delegation of authority for the day-to-day working of the post adjustment system granted to him by the Commission at its first session) and announced by him in circulars distributed to the participating organizations and staff representatives under the symbol "ICSC/CIRC/PAC". h/

17. The Commission is assisted in these matters by the expert advice of a committee of eminent statisticians, the Advisory Committee on Post Adjustment Questions (ACPAQ), which meets once or twice a year under the chairmanship of a member of the Commission. ACPAQ considers questions relating to the methodology used for the calculation of post adjustment indices and that for related subjects referred to it by the Commission. It is also charged with the review of place-to-place survey results for headquarters cities and Washington, D.C., and recommendations to the Commission for their implementation. Indices calculated for all other duty stations, both periodic place-to-place comparisons and all other updated indices, are implemented by the Chairman as mentioned above.

h/ The United Nations post adjustment classifications are also used by a growing number of national Governments and other employers for adjusting the salaries of their overseas staff. It cannot be emphasized too strongly that the system is designed having in view only the specific circumstances of international civil servants and the other components of the United Nations salary system. It cannot be expected to suit also, without adaptation, the quite different circumstances of national diplomats or other types of expatriate workers. If there was sufficient interest on the part of Governments of Member States a related but separate system could be developed for their use. In the meantime one should guard against the temptation to condemn the post adjustment system because in a few cases it produces results which appear anomalous when seen from the standpoint of any particular national diplomatic service.

18. The Cost-of-living Section of the secretariat carries out all surveys among the staff of the approximately 170 duty stations. These include, at approximately five-year intervals for each locality, an in-depth place-to-place survey including collection from staff of family expenditures by kind of expenditure, both in-area and out-of-area, and a daily record over two weeks of itemized expenditures for food-stuffs and supplies for household operation; from these questionnaires the weighting pattern for the duty station is established. These surveys also include a detailed questionnaire concerning housing costs, including (for rentals) any costs borne by the staff member for repairs, essential equipment, utilities and so on, which provide figures which are used for the index of housing costs. The prices used for comparison with those at the base city, New York, are collected locally by an external pricing agent employed especially for this purpose, on the basis of a standard list of items and item specifications. Background information is provided by a senior official at the duty station designated as co-ordinator of the survey.

19. For the majority of duty stations, annual or biennial time-to-time surveys are also carried out, for the purpose of updating the place-to-place relationship. Price collections are made, following in so far as possible the identical goods priced in the preceding survey. Current rental cost information is gathered through a questionnaire addressed to staff members. Current general background data are requested from the co-ordinator of the survey. The weighting pattern for such time-to-time indices is based on that established during the last preceding place-to-place survey, adjusted solely for price movements (chain weights).

20. For the remaining duty stations, which are in general updated between place-to-place surveys by means of the local consumer price index (CPI), annual (or sometimes more frequent) housing surveys are carried out among staff and used for calculation of the rent index. This is necessary since (a) many local CPIs do not contain a rent or housing index, and (b) even when local housing indices exist, they are seldom reliable indicators of rental costs of foreigners who are highly mobile.

F. The "Weighted Average of Post Adjustments" (WAPA)

21. The relative movements of the post adjustment classifications of the headquarters duty stations can be seen from a chart published as an annex to each of ICSC's annual reports (see appendix). An indication of the over-all movement is given by the "Weighted Average of Post Adjustments" (WAPA). This index reflects the post adjustment classifications of the headquarters duty stations and 43 other major duty stations (covering 80 per cent of the total staff of the Professional and higher categories), each weighted by the number of staff members with contracts of one year or more serving at the duty station. The index provides a general measure of the movement of post adjustment classifications, but plays no part in their determination; its only practical application is in the determination of periodic adjustments to the level of pensionable remuneration, under the mechanism established by General Assembly resolution 1561 (XV).

IV. PROBLEMS CONCERNING THE SPAN AND GENERAL LEVEL OF POST ADJUSTMENT CLASSIFICATIONS

22. When the post adjustment system was implemented in 1956, inflation rates

in the great majority of countries rarely exceeded 5 per cent a year and there were fixed parities between most currencies. Changes of class of post adjustment were correspondingly much less frequent and it was not envisaged that the span between the highest class in force and the lowest would exceed 35 to 40 index points. The very great widening of this span is one of the major changes that have been brought about in the system over the last 25 years by galloping inflation in some countries and by fluctuating exchange rates, in particular the depreciation of the base currency of the system, the United States dollar, in relation to a number of other currencies which are much used in the system. The vast increase in the number of countries and duty stations for which post adjustments are established has, of course, also contributed to the widening of the span. As ICSC has earlier pointed out, distortions inevitably creep in when as many as 150 index points separate the duty stations at the lower end of the post adjustment scale from those at the higher and the amount received in post adjustment by a staff member varies from a small deduction to more than one and a half times the amount of his base salary. This phenomenon is, however, not so much a defect of the post adjustment system as the reflection of the disordered economic and financial conditions existing in the world.

A. Consolidation

23. So also is the generally high level of post adjustments which, as shown by the weighted average of post adjustments (WAPA), had reached in March 1980 43.57 per cent above the level at which it stood just over three years ago, on 1 January 1977. Following such a general increase in the average level (as distinct from the widening of the span between highest and lowest), the device of consolidation of part of the existing level of post adjustment into base salary has been used from time to time over the years. When this is done, the level of post adjustment everywhere is lowered to take account of the number of index points transferred from post adjustment into base salary. The take-home pay of staff members in recent consolidations has been unchanged (except at duty stations below the level corresponding to the amount consolidated, whose staff enjoy a small gain). On most previous occasions of consolidation, one of the considerations which has influenced the decision as to how post adjustment should be consolidated has been to eliminate the excess of pensionable remuneration over gross salary and to bring the two back to their normal par relationship, in the interest of maintaining the system in order, so that the various elements of pay and allowances may function as they were intended to function.

24. On the other hand, it has been felt that the general level of post adjustment should not be lowered to such an extent that a significant number of staff would be placed in negative classes of post adjustment. (It is also for this reason that the base city is not brought back to base 100 by consolidation; the base date at which the cost of living in the base city is taken to be 100 is moved up as a result of consolidation but still remains a number of years previous. The post-consolidation index valid at the base city will thus be above 100 by the amount of inflation which has occurred between that earlier date and the date of consolidation.)

B. Negative classes of post adjustment

25. It may be asked why there should be hesitation about managing the system in such a way that large numbers of staff would be subject to negative post adjustment;

if supplements to remuneration are paid when the cost of living is higher than at the base, why should there be hesitation to make a deduction when the cost of living is lower than at the base? This is, indeed, a logical implementation of the principle of equity of remuneration. If some diffidence is felt about following it to the full, it is because of some doubt as to the propriety of paying less dollar base salary than the amount which is stated as the base in the staff member's contract or letter of appointment, even though the real value of this base is being maintained, as well as in recognition of the fact that it is psychologically difficult for a staff member to accept the application of minus adjustments.

V. THE OPERATION OF THE SYSTEM

26. In order to discover any elements of the post adjustment system which in the present world economic and monetary situation may produce distortions in pay levels among duty stations, the operating methods of the system must be inspected. In adjusting salaries to produce reasonable equity of purchasing power regardless of duty station, two kinds of expenditures of staff are taken into account:

(a) Living costs incurred in the country of the duty station and paid in local currency (in-area expenditures);

(b) Living costs incurred while stationed at the duty locality but expended outside the country in another currency (out-of-area expenditures).

27. The first category covers most living expenses. Housing, domestic service, automobile operation, household operation, personal care, recreation and so on consist almost entirely of expenses at the duty station, paid in the local currency, with only rare exceptions. The second category includes living costs which are expended abroad or in foreign currency, such as the cost of items imported directly by the staff member, expenses for living while travelling privately in countries other than that of the duty station (home leave, vacations abroad, education of family members abroad), support of dependants outside the country of the duty station, upkeep of a home in the home country, etc.

28. These two broad categories of expenditure are considered in different ways in calculating the level of post adjustment. For in-area expenditures (almost always the greater part of total consumption), prices are collected in the duty station and compared with prices of similar items in the city which is the base for post adjustment purposes, New York. ^{i/} The ratios of these prices in the two cities are combined in accordance with the patterns of actual expenditures of staff as reported by them, both in the duty station and in the base city. If, after taking into account the rate of exchange, these in-area living costs so measured are higher in the duty station than they were in New York at the base date, this acts to raise the post adjustment index above 100. If, on the contrary, they are lower than those in New York at the base date, this will act toward reducing the index below 100.

29. For out-of-area expenditures the situation is somewhat different. To the extent that these expenditures consist of direct imports and the sources of the

^{i/} Housing costs are measured differently, as explained below in paras. 40-43.

imports are reasonably well-known, the same procedure of comparing prices and taking relevant rates of exchange into account is used, prices being those in the country from which goods are imported. This type of expenditure is, however, a small part of total out-of-area expenditures for most duty stations. Other items account for the greater part. For these, no country can be designated as the place of expenditure since these amounts are expended in various places both by any given staff member and as between the various staff members. The assumption is therefore made that the world-wide price level is the same for all staff regardless of where they are stationed, and that the price level which it is appropriate to use for comparing the cost of such expenditures with costs of similar expenditures at the base date is an average world-wide price level. A special index is established to estimate the level of world-wide prices for common-system international staff, based on local price levels translated into dollar terms ^{j/} weighted according to the number of serving international staff who are nationals of each country. This weighting reflects the fact that annual leave, support of family members left in the home country and upkeep of a home are expenditures always or usually made in the home country, thus the more staff there are of any nationality, the greater the expenditures likely to be made in that country.

30. For low-cost areas, world-wide prices will be higher than the local prices at the duty station and inclusion of out-of-area expenditures in the post adjustment index will tend to raise the index; for high-cost areas, world-wide prices will be lower than local prices and out-of-area expenditure has the effect of reducing the index. Out-of-area expenditures, since most of them are by definition at the same price level for staff at all duty stations, act as a stabilizing factor, reducing the range from the country with the lowest to that with the highest post adjustment index.

31. It should be noted that in respect of out-of-area expenditures as in all other respects, the post adjustment system operates on the basis of the average situation. The amount of out-of-area expenditure in a given duty station is an average amount over all the international staff stationed there; the price progression factor is an average over many countries based on the nationality distribution of all international staff. Unless a given individual's choices concerning the distribution of his consumption between in-area and out-of-area consumption items differs widely from that of his colleagues at the same duty station, these averages should produce adequate compensation within tolerable limits.

^{j/} Taken from the in-area portions of post adjustment indexes.

VI. COMPLEXITIES OF POST ADJUSTMENT AND DIFFERENCES
FROM OTHER SIMILAR SYSTEMS

A. Basic formulae used

32. The post adjustment system of the United Nations is more complex than most systems employed by national Governments for adjusting the pay of their foreign services and than those underlying the commercial indexes calculated for the use of corporations with employees sent abroad to work. The main difference is that Governments and corporations are dealing with employees who form a homogeneous group, i.e., they are all nationals of the same country and have similar consumption habits. k/ The cost-of-living relationships calculated by government and corporate services therefore assume that the overseas employee will live in a manner as close to the living patterns of similar income levels back home as is possible in the overseas location. Only one expenditure pattern is thus needed and the resulting index applies only to persons being moved from the base to an overseas location, assumed to make no avoidable adjustment to local conditions. There is no need to consider the case of a national from the overseas location being moved to the base country as the employer normally does not do this.

33. The United Nations, however, starts with the world's most non-homogeneous population since staff are, by design, chosen from all member countries. This means that there are no background data available describing the living patterns of the group made up of common-system staff, as there are for a great many national populations. The "living patterns" of United Nations staff can, indeed, only be thought of in terms of averages, since the differences between staff families are differences in kind, not merely in degree. Consumption patterns must be derived from information provided by the staff themselves; there is no other source.

34. Furthermore, and of even greater importance, the United Nations is not concerned merely with a single direction of movement of staff, but with two-way movement. Staff do not all originate from a single point, and fan out over the rest of the world; in the United Nations common system, staff may be assigned anywhere, are transferred from one duty station to another in a constantly overlapping pattern and do not have any single "home" country; they do not even have a single organization headquarters. The post adjustment system must, therefore, be based on a methodology which gives a unique answer concerning the relation between living costs in any two places regardless of which is taken as the basis for comparison. A staff member may be transferred from X to Y and another from Y to X; the relationship between these two places must be the same for both cases and not have any built-in bias favouring those moving in one direction. It is for this reason that the post adjustment indexes are calculated

k/ This is becoming steadily less true of corporate employees; nevertheless the commercial services assume homogeneity for index calculation purposes.

according to the "Fisher ideal" formula, while national and commercial indexes are generally calculated according to a Laspeyres formula which is appropriate to one-directional movement. 1/

B. Treatment of housing costs

35. Since post adjustment is an integral part of the United Nations salary system, housing is included with all other components of living costs in the calculation of post adjustment indices. Base salary naturally covers housing costs; therefore the adjustments to base salary made through post adjustment for the purpose of equalizing the purchasing power of the salary of officials regardless of their assignment to any of the various duty stations adjust for differences in cost for equivalent housing in various locations at the same time as it adjusts for differences in the price levels of food, clothing and so forth.

36. This treatment of housing on a par with other elements of living costs by the United Nations system differs from its treatment in many national systems. Many of these provide free housing, or a housing allowance covering total housing costs up to specified maxima, as an incentive for overseas service. These allowances are thus similar in purpose to the margin over comparator country salary levels provided in the common system under the Noblemaire principle.

37. In the post adjustment system, the method used is to collect data on the actual housing costs of staff in all duty stations and to compare such costs, for similar housing in so far as this can be measured, with costs of staff-occupied housing in the base city, New York. This method facilitates the taking into account of the differing need from one locality to another to make repairs to the dwelling, to furnish necessary appliances, etc. It worked well until the rapid expansion of some countries' economies produced severe housing shortage with very steep and rapid rises in rents, resulting in very different rents being charged for quite similar accommodations, depending on the date at which the tenant rented the dwelling.

38. A system of housing subsidies in certain duty stations had existed for a number of years as a supplementary form of post adjustment. The expansion of this rental subsidy scheme to all field stations outside Europe and North America in 1978 has

1/ The Laspeyres formula produces a weighted average of price ratios showing the relationship of the duty station price to that in the base city (New York) for each item. Reported staff expenditures at the base are used as weights. Such indexes have an upward bias because they do not reflect the changes in quantities of the various items consumed which result from adaptation of the consumer to different relative prices (i.e., price elasticities are assumed to be zero). The Paasche formula produces a weighted average relationship between the prices in the duty station and those in the base city using as weights expenditures in the duty station. Paasche indexes have a downward bias since they assume that the duty-station pattern of consumption is exactly reproduced in the base city despite differences in relative prices. The Fisher index is a geometric average of these two indexes:

$$\text{Fisher} = \text{Laspeyres} \times \text{Paasche}$$

It has the advantage that it meets the "place reversal" test, that is, the index for the duty station against New York equals the reciprocal of the index for New York using the duty station as base, which is true for neither the Laspeyres nor Paasche index.

largely solved the problem arising from acute shortages of suitable accommodations in many developing countries and the accompanying rapid rises in rent levels. Staff faced with much higher rents than their colleagues for equivalent housing, merely because they have recently arrived or have been forced for some other reason to re-rent at current levels, receive rental subsidies to offset this difference.

39. The rental subsidy also fills a need in those countries in which the host Government provides housing to some common system staff but has not been able to provide enough housing for all such staff. If, as may be the case, such housing is provided at low rent or free, and if the post adjustment reflects only the level of the low government rents while housing rented in the commercial market costs considerably more, staff who must find their own housing and pay market rents should be compensated for their excess housing cost and they therefore receive rental subsidy. Alternatively, if commercial rents are more frequent and the post adjustment therefore is based on their level, staff in much-less-expensive provided housing are subject to rental deductions, also through the rental subsidy system, in order to avoid double compensation.

40. For duty stations in North America and Europe, the rental subsidy scheme does not apply. For most of the duty stations, time-to-time rental indices are computed according to a formula established by the Expert Committee on Post Adjustment, forerunner of ACPAQ, and continued in force by ACPAQ. This formula calculates the percentage change in rents over the period in question experienced by staff members who have not changed their residence but occupy an identical dwelling at the beginning and end of the period; it then assumes this same percentage change to apply also to all staff who have newly arrived at the duty station or who have moved from one dwelling to another. Non-respondents eligible for the rental survey are presumed to have experienced no change in rents.

C. Maintaining indexes up to date

41. Consideration of the complexities of the post adjustment system would be incomplete without inclusion of the various mechanisms used for keeping the indexes up to date. Here too, the United Nations system differs from most national and other systems by providing for much more frequent revisions and updating of the basic relationship, once established. For duty stations for which good timely national consumer price indices (CPIs) exist, these are used (usually reweighted at the major group level) to update the in-area (locally purchased) portion of the index. For headquarters cities such indexes exist m/ and are used for monthly updating. CPIs are available also for most other European and North American cities, which are also updated monthly.

42. Field duty stations are updated at least once every four months. For many of these localities the local CPI is not timely but often from 3 to perhaps 12 months late in publication. Every four months all post adjustment indices (PAI) are updated and if the CPI for any place is not available up to a month not more than four months previous, it is extrapolated to produce an estimated updated PAI (later recalculated when the CPI becomes available). For these duty stations there is no four-month rule waiting period as such and the class appropriate to the updated index is implemented in the month following the review.

m/ For Paris, a special index relating to UNESCO and OECD staff is computed by the Institut national de la statistique et des études économiques (INSEE).

43. Since local CPIs for field stations seldom are designed to measure changes in living costs of foreign, relatively high-income families, they cannot be used over long periods. For about half these duty stations, ICSC carries out its own survey, usually annually, to measure changes over time in the local cost of living of United Nations staff (T/T indexes) (see paras. 18-20).

44. For some duty stations, the number of staff is so small that the expense of an annual T/T survey is not warranted. In such cases, an annual housing survey is carried out to gather data from staff on their housing costs.

D. Treatment of changes in rates of exchange

45. Updating procedures also include revision of PAIs to reflect changes in the rates of exchange of local currencies against the dollar. Exchange rate changes are incorporated monthly into the indexes. Since such changes are nearly always accompanied by price changes, the most recent available information on cost-of-living changes is also incorporated in the calculations on such occasions. This practice differs from that of many national systems.

46. A further complexity of the post adjustment system stems from this need to incorporate exchange rate changes as soon as they take place. Since, as just mentioned, these changes, particularly devaluations vis-à-vis the dollar, are almost invariably preceded or quickly followed by price rises, special measures have been built into the system to smooth the transition from higher to lower post adjustment caused by devaluation. Information on price changes is never instantly available. Therefore, in cases of severe and abrupt devaluation, only a part of the calculated fall in the PAI is implemented, until price information becomes available and can be taken into account. In cases of steady, continuous devaluation of at least a certain magnitude, the lack of contemporaneous price data is remedied by projection of the CPI at the group level up to the current month (subject to recalculation when actual CPI figures are received).

47. Post adjustment classifications affected by a change in exchange rate are adjusted more closely to the actual PAI than may be the case in other situations. Post adjustment class normally changes only when a 5 per cent change has occurred and the boundary of a new class has been reached. In cases of exchange rate change, however, fractions of a class (i.e., index points) may be added to the class attained, to bring about a closer match between the PAI and post adjustment paid.

E. Other comparisons with external systems

48. There are many additional differences between the post adjustment system and national systems. National systems ordinarily assume, for example, that any goods or services not purchased in the foreign duty station are procured in the home country, which greatly simplifies calculation. For post adjustment it would not be reasonable to assume a single supplying country or a particular group of countries for all such expenditures. It is therefore necessary to calculate annually the factor for the out-of-area price progression referred to above, as well as to calculate price ratios for individual goods which are frequently imported directly from large exporting companies specialized in such transactions on the basis of catalogue prices, shipping costs and appropriate exchange rate for the principal exporting countries.

49. Another difference from many national and commercial systems is the considerably larger number of individual goods and services included in ICSC calculations. The heterogeneous mix of nationalities of United Nations staff requires a wider range of consumption items. The range may continue to widen somewhat as new nations join the system and staff from these nations are recruited.

50. There are also some similarities between the United Nations and outside systems which are sometimes not recognized. Usually national and corporate systems apply adjustments to certain elements of employees' salaries and set aside other elements on the grounds that they do not need to be adjusted. The major item so deducted is taxes paid in the home country, which are naturally not affected by the cost of living at the foreign duty station. In the United Nations system, also, adjustments are applied to salaries net of taxes.

51. Another similarity is in the treatment of pension contributions of staff. These contributions are also unaffected by duty station assignment, and have therefore been excluded from the operation of post adjustment. At present, these system-wide dollar payments are one of the factors taken into account in fixing post adjustment amounts so that they provide only, on average, a 4.3 per cent increase in emoluments when a PAI rises by 5 per cent. Pension contributions in 1978 accounted for 0.4 per cent of the 0.7 per cent average short-fall per 5 per cent class. However, it would be possible to design a system for including pension contributions in the calculation of PAIs themselves.

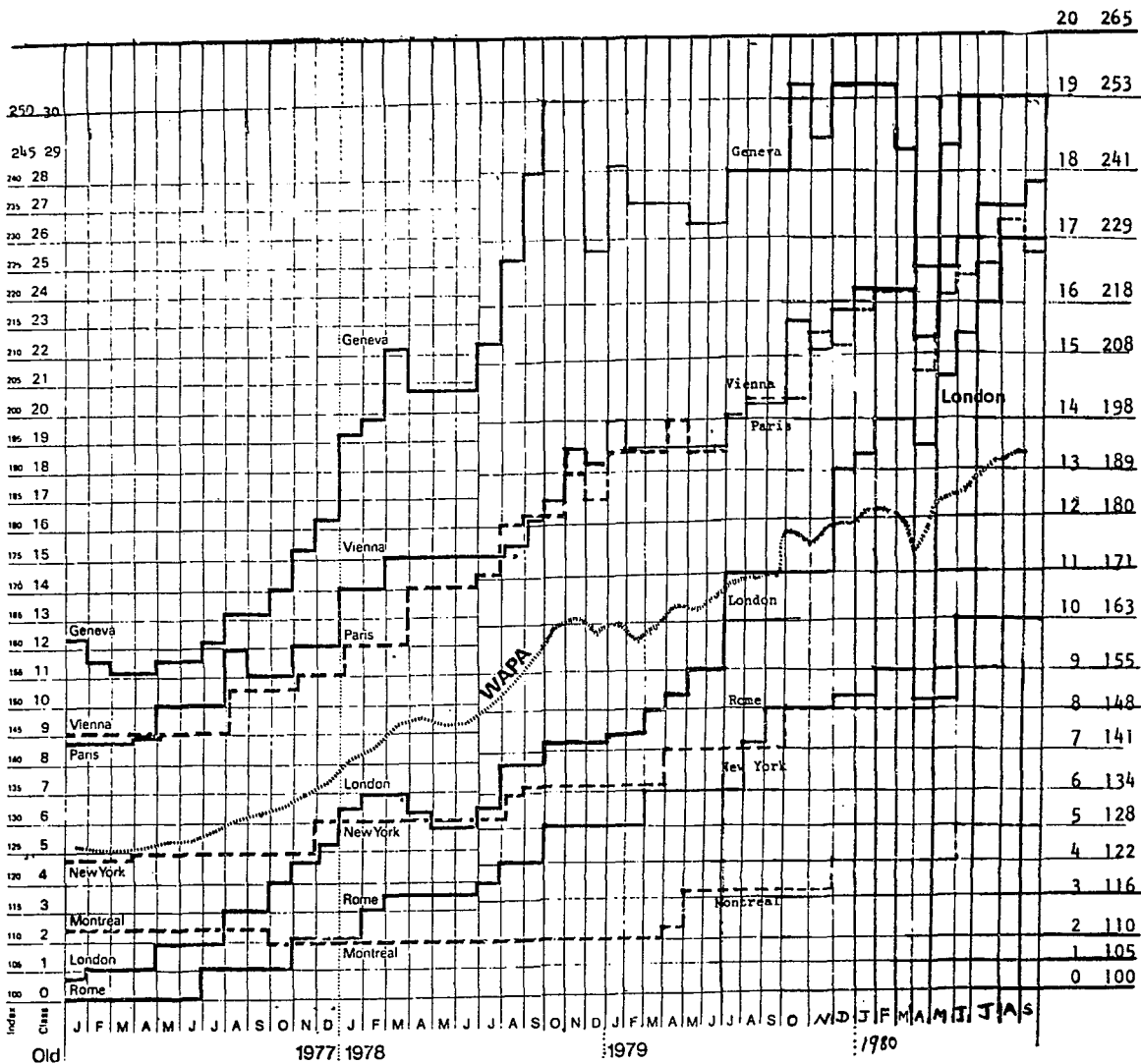
52. All the above considerations refer to the technical aspects of PAI calculation. The administrative aspects are also important. The United Nations system readjusts salaries whenever there is a change of at least 5 per cent in a post adjustment index, rather than adjusting only at certain predetermined and sometimes widely-spaced dates. In today's world, the United Nations system's ability to respond in each duty station in accordance with local conditions is essential.

53. A further administrative difference is the fact that common system personnel are paid a specified minimum portion of their remuneration in the currency of the country in which they are stationed. Since the greater part of their living expenditures is almost always made in local currency, this is reasonable and it permits utilization of part of the sums in local currencies received by some organizations of the system. Staff also receive part of their emoluments in dollars or other currency of their choice, thus permitting them to cover out-of-area expenses and to accumulate savings.

APPENDIX

Movement of post adjustments classification of headquarters duty stations
and of the weighted average of post adjustments (WAPA)

(January 1977-September 1980)



0 265

0 253

3 241

7 229

5 218

5 208

4 198

3 189

2 180

1 171

0 163

3 155

3 148

7 141

5 134

5 128

4 122

3 116

2 110

1 105

0 100

ANNEX VII

GENERAL SERVICE CATEGORY - GENEVA

Salary scale recommended by the International Civil Service Commission
showing annual gross and net after application of staff assessment

(in Swiss francs at SF 1.65 to US \$1.00)

1 March 1980

Step Grade	I	II	III	IV	V	VI	VII	VIII	IX
G-1	Gross 36845 Net 26919	38169 27780	39494 28641	40920 29502	42355 30363	43790 31224	45225 32085	46660 32946	4809 3380
G-2	Gross 40190 Net 29064	41740 29994	43290 30924	44840 31854	46390 32784	47940 33714	49490 34644	51040 35574	5259 3650
G-3	Gross 44122 Net 31423	45798 32429	47475 33435	49152 34441	50828 35447	52505 36453	54307 37459	56136 38465	5796 3947
G-4	Gross 49185 Net 34461	51023 35564	52867 36667	54873 37770	56878 38873	58884 39976	60889 41079	62895 42182	6490 4328
G-5	Gross 54940 Net 37807	57209 39055	59478 40303	61747 41551	64016 42799	66314 44047	68810 45295	71306 46543	7380 4779
G-6	Gross 61827 Net 41595	64398 43009	67066 44423	69894 45837	72722 47251	75550 48665	78378 50079	81206 51493	8403 5290
G-7	Gross 70012 Net 45896	73134 47457	76256 49018	79378 50579	82500 52140	85622 53701	88744 55262	91866 56823	9498 5838

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Service Commission
staff assessment

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VII	VIII	IX	X	XI
5225	46660	48095	49530	50965
2085	32946	33807	34668	35529
9490	51040	52590	54262	55953
4644	35574	36504	37434	38364
4307	56136	57965	59795	61624
7459	38465	39471	40477	41483
3889	62895	64900	66996	69202
1079	42182	43285	44388	45491
8810	71306	73802	76298	78794
5295	46543	47791	49039	50287
3378	81206	84034	86862	89690
3079	51493	52907	54321	55735
3744	91866	94988	98110	101232
1262	56823	58384	59945	61506

ANNEX VIII

GENERAL SERVICE CATEGORY - NEW YORK

Salary scale recommended by the International Civil Service Commission
(in United States dollars per annum)

1 April 1979

Step Grade	I	II	III	IV	V	VI	VII	VIII	IX
G-1	Gross	10 504	10 886	11 267	11 649	12 030	12 411	13 174	
	Net	8 353	8 620	8 887	9 154	9 421	9 688	10 222	
G-2	Gross	11 877	12 303	12 729	13 154	13 580	14 006	14 857	15 283
	Net	9 314	9 612	9 910	10 208	10 506	10 804	11 102	11 698
G-3	Gross	13 406	13 880	14 354	14 829	15 303	15 777	16 782	17 292
	Net	10 384	10 716	11 048	11 380	11 712	12 044	12 376	13 040
G-4	Gross	15 113	15 709	16 328	16 969	17 611	18 252	19 535	20 177
	Net	11 579	11 996	12 413	12 830	13 247	13 664	14 498	14 915
G-5	Gross	17 682	18 520	19 358	20 197	21 035	21 874	23 551	24 422
	Net	13 293	13 838	14 383	14 928	15 473	16 018	17 108	17 653

ision

VIII	IX	X
13 174		
10 222		
14 857	15 283	
11 400	11 698	
16 782	17 292	17 803
12 708	13 040	13 372
19 535	20 177	
14 498	14 915	
23 551	24 422	25 330
17 108	17 653	18 198

MANUAL WORKERS CATEGORY - NEW YORK

Salary scale recommended by the International Civil Service Commission
(in United States dollars per annum)

1 April 1979

Step Grade	I	II	III	IV	V	VI
M-1	Gross Net 13 456 10 419	13 961 10 773	14 467 11 127	14 973 11 481	15 479 11 835	15 984 12 189
M-2	Gross Net 14 944 11 461	15 501 11 851	16 063 12 241	16 663 12 631	17 263 13 021	17 863 13 411
M-3	Gross Net 16 626 12 607	17 286 13 036	17 946 13 465	18 606 13 894	19 266 14 113	19 926 14 752
M-4	Gross Net 18 566 13 868	19 291 14 339	20 015 14 810	20 740 15 281	21 465 15 752	22 189 16 223
M-5	Gross Net 20 592 15 185	21 363 15 686	22 134 16 187	22 905 16 688	23 675 17 189	24 483 17 690
M-6	Gross Net 22 812 16 628	23 605 17 143	24 430 17 658	25 288 18 173	26 146 18 688	27 005 19 203
M-7	Gross Net 25 762 18 457	26 653 18 992	27 545 19 527	28 437 20 062	29 328 20 597	30 220 21 132

ommission

	VI
'9	15 984
'5	12 189
'3	17 863
'1	13 411
'6	19 926
'3	14 752
'5	22 189
'2	16 223
'5	24 483
'9	17 690
'6	27 005
'8	19 203
'8	30 220
'7	21 132

ANNEX X

SECURITY SERVICE CATEGORY - NEW YORK

Salary scale recommended by the International Civil Service Commission
(in United States dollars per annum)

1 April 1979

Step Grade	I	II	III	IV	V	VI	VII	VIII	IX	X	XI
S-1 Gross	14411	14790									
Net	11088	11353									
S-2 Gross	15343	15804	16295	16778	17269	17782	18305	18826	19369	19923	20521
Net	11740	12063	12392	12706	13025	13358	13698	14037	14390	14750	15111
S-3 Gross	17711	18232	18775	19317	19882	20475	21100	21725	22369	23025	
Net	13312	13651	14004	14356	14723	15109	15515	15921	16340	16766	
S-4 Gross	19288	20034	20792	21582	22422	23262	24163	25105			
Net	14337	14822	15315	15828	16374	16920	17498	18063			
S-5 Gross	21909	22717	23548	24430	25332	26263	27225	28208			
Net	16041	16566	17106	17658	18199	18758	19335	19925			

mission

IX	X	XI	XII
19369	19923	20526	21140
14390	14750	15142	15541
22369	23025		
16340	16766		

ANNEX XI

GENERAL SERVICE CATEGORY - ROME

Salary scale recommended by the International Civil Service Commission
showing annual gross and net after application of staff assessment

(In thousands of Italian lire at lire 838 to \$US 1.00)

(Effective 1 August 1979)

LEVEL	STEP											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
G-1 (Gross) (net)	10 686 8 318	10 923 8 484	11 160 8 650	11 397 8 816	11 634 8 982	11 872 9 148	12 109 9 314	12 346 9 480	12 583 9 646	12 820 9 812	13 057 9 978	13 294 10 144
G-2	11 370 8 797	11 659 8 999	11 947 9 201	12 236 9 403	12 525 9 605	12 813 9 807	13 102 10 009	13 390 10 211	13 699 10 413	14 010 10 615	14 321 10 817	14 631 11 019
G-3	12 236 9 403	12 584 9 647	12 933 9 891	13 281 10 135	13 647 10 379	14 023 10 623	14 398 10 867	14 743 11 111	15 148 11 355	15 524 11 599	15 900 11 843	16 275 12 087
G-4	13 398 10 217	13 841 10 505	14 285 10 793	14 727 11 081	15 170 11 369	15 598 11 657	16 056 11 945	16 500 12 233	16 943 12 521	17 385 12 809	17 829 13 097	18 272 13 385
G-5	14 870 11 174	15 383 11 507	15 895 11 840	16 407 12 173	16 920 12 506	17 432 12 839	17 944 13 172	18 457 13 505	18 968 13 838	19 482 14 171	19 993 14 504	20 538 14 837
G-6	17 482 12 872	18 069 13 253	18 655 13 634	19 240 14 015	19 827 14 396	20 439 14 777	21 073 15 158	21 708 15 539	22 344 15 920	22 978 16 301	23 613 16 682	24 249 17 063
G-7	20 503 14 816	21 232 15 253	21 960 15 690	22 689 16 127	23 417 16 564	24 146 17 001	24 873 17 438	25 602 17 875	26 330 18 312	27 081 18 719	27 875 19 186	

Service Commission
staff assessment

\$US 1.00)

X	XI	XII	XIII	XIV
12 820	13 057	13 294	13 541	13 796
9 812	9 978	10 144	10 310	10 476
14 010	14 321	14 631	14 942	15 253
10 615	10 817	11 019	11 221	11 423
15 524	15 900	16 275	16 650	17 026
11 599	11 843	12 087	12 331	12 575
17 385	17 829	18 272	18 714	19 158
12 809	13 097	13 385	13 673	13 961
19 482	19 993	20 538	21 094	21 648
14 171	14 504	14 837	15 170	15 503
22 978	23 613	24 249	24 883	25 518
16 301	16 682	17 063	17 444	17 825
27 081	27 875			
18 749	19 186			

ANNEX XII

COMMON SYSTEM JOB CLASSIFICATION STANDARDS
TIER I: THE MASTER STANDARD
(Point-factor rating system)

The six factors on the following pages are designed to measure the relative importance of jobs - not individuals - within an organization. Jobs are analysed in terms of several common elements and point values are assigned for these. The total point rating for a particular job falls within a point range which indicates the appropriate grade for the job. The point ranges for grade levels P-1 through USG are as follows:

<u>Point ranges</u>	<u>Grade level</u>
800 - 969	P-1
970 - 1319	P-2
1320 - 1669	P-3
1670 - 2039	P-4
2040 - 2479	P-5
2480 - 2939	D-1
2940 - 3339	D-2
3340 - 3679	ASG
3680 - 3799	USG

The following factors require further explanation:

Factor I: This is the only three dimensional factor. In applying this factor, the appropriate level of theoretical knowledge required by the job (i.e. the horizontal element) is identified first. Then the requirements of the job in terms of the level of practical experience of having applied that theoretical knowledge (i.e. the vertical element) are determined. The appropriate box that corresponds to the two elements identified is found. Finally, depending upon the language knowledge requirements of the jobs (i.e. the third dimension), the appropriate point value is chosen from among the three values indicated in that box. If proficiency in one language is required then the lowest score is allocated. The middle score is given for the requirement of proficiency in two languages and the highest score for the requirement of proficiency in three languages.

Factor IV: This factor also is scored differently from the others. First the skill and importance of the inside contacts required by the job are evaluated and a point value is allocated. Then the same is done for the outside contacts - if any are required. Finally, the two point scores are added together to obtain the total point value for the factor.

FACTOR I
PROFESSIONAL KNOWLEDGE REQUIRED

This factor measures the theoretical knowledge and practical experience of
applying that knowledge, that are required by the job

Practical experience required	Theoretical knowledge required	1. Knowledge at first university degree level or its equivalent in training and self-study.	2. Knowledge at advanced university degree level or its equivalent in training and self-study.	3. Knowledge at university degree level or its equivalent and self-study.
A. Experience in applying theoretical knowledge at national level for up to one year	100	150	200	300
B. Experience in applying theoretical knowledge at national level from one up to five years OR at international level for up to two years.	150	200	250	350
C. Experience in applying theoretical knowledge at national level for over five up to 10 years OR at international level for over two up to five years.	200	250	300	400
D. Both of the above.	250	300	350	450
E. Experience in applying theoretical knowledge at national level for over 10 years OR at international level for over five up to 10 years.	300	350	400	500
F. Both of the above.	350	400	450	550
G. Experience in applying theoretical knowledge at international level for over 10 years.	400	450	500	600

Language knowledge
required

The job requires that the
incumbent have proficiency
in one language.
(0 points)

The job requires that the
incumbent have proficiency
in two languages.
(+50 points)

The job requires
incumbent have p
in three or more
(+100 poi

ice of

advanced level or training	3. Knowledge at highest university degree level or its equivalent in training and self-study.
300	300 350 400
350	350 400 450
400	400 450 500
450	450 500 550
500	500 550 600
550	550 600 650
600	600 650 700

that the
proficiencys) The job requires that the
incumbent have proficiency
in three or more languages.

(+100 points)

FACTOR II

DIFFICULTY OF WORK

This factor measures the mental demands of the job in terms of the complexity of the work and the degree of individual contribution required.

Individual contribution	4. Essentially the synthesis, conversion and presentation of data requiring the application of the basic principles of the profession.	5. Analyzing data, identifying problems, drawing conclusions and making recommendations; OR interpreting rules procedures of texts; OR Language interpretation or translation.	6. Same as 5 plus either endorsing recommendations or taking corrective or adaptive action; OR revising work at level 5.	7. Developing new approaches, procedures, techniques or terminology as an appreciable part of work; OR planning, integrating and co-ordinating work of predominantly level 6 positions.	8. As a major part of the work developing new concepts, theories or policies in the solution of delicate or significant problems OR launching major activities in new fields OR planning, co-ordinating and directing work of predominantly level 6 or above positions in diverse organizational entities.	9. Planning, co-ordinating and directing a vital segment of Organization's work characterized by a significant number of level 8 positions OR planning, co-ordinating directing total performance of several diverse organizational entities spanning a broad segment of Organization's work.
Complexity of assigned work	140	220	300	385	470	560
H. Moderately intricate although restricted in scope and depth of treatment of subject matter.	200	280	360	445	530	620
I. Intricate with interrelationships within the subject matter not clearly evident. Either broad in scope but restricted in depth of treatment of subject matter. OR restricted in scope but requiring considerable depth of treatment.	260	340	420	505	590	680
J. Substantial intricacy of subject matter. Either broad in scope but restricted in depth of treatment of subject matter OR restricted in scope but requiring considerable depth of treatment. Problems are difficult to solve.	320	400	480	565	650	740
K. Substantial intricacy of subject matter. Broad in scope and requiring considerable depth of treatment of subject matter. Problems difficult to define and complex considerations involved in solving them.	380	460	540	625	710	800
L. Involves great intricacy of subject matter and requires that several diverse phases are pursued concurrently. Extremely broad in scope and requiring considerable depth of treatment of subject matter. Problems very difficult to define and highly complex considerations (such as the impact of alternative possible solutions on other major areas of work or other Organizations) involved in solving them.						

the on cant ties g and omi- e s.	9. Planning, co-ordinating and directing a vital area of Organization's work characterized by a significant number of level 8 top positions OR planning, co-ordinating and directing total performance of several diverse organizational entities spanning a broad segment of Organization's work.		560		620		680		740		800
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FACTOR III
INDEPENDENCE OF WORK

This factor measures the degree to which guidelines apply to the work and the amount of supervisory assistance and control given.

Application of guidelines	10. Procedures for doing the work have been standardized and a number of specific applicable guidelines are available.	11. Procedures for doing the work may not be standardized and specific applicable guidelines are not always available.	12. Guidelines are only partially relevant. Incumbent occasionally required to interpret and adapt guidelines in dealing with unusual or complex situations.	13. Guidelines are only partially relevant. Work normally requires that incumbent interpret and adapt guidelines. Incumbent may establish guidelines.	14. Guidelines are broadly stated and normally require extensive interpretation. Significant departures from guidelines normally required for majority of work. Incumbent has authority to establish important guidelines.	15. Guidelines are broadly stated and normally require extensive interpretation. Significant departures from the guidelines normally required for majority of work. Incumbent has authority to establish important guidelines.
Supervisory controls over incumbent	110	160	210	260	310	360
M. Specific instructions are provided. Work regularly checked in process and end product reviewed for adherence to instructions, soundness of conclusions and accuracy.	170	220	270	320	370	420
N. Purpose and desired results indicated and anticipated problems discussed beforehand. Other problems that arise are discussed with supervisor. Specific instructions are provided for new assignments and the approach is normally defined by the supervisor. Work in progress periodically reviewed. End product reviewed for soundness of conclusions and accuracy.	230	280	330	380	430	480
O. Purpose and desired results indicated. The approach is normally developed jointly between incumbent and supervisor. Problems that occur are discussed at discretion of official. Work in process reviewed at discretion of supervisor. End product reviewed for soundness of conclusions and judgement.	310	360	410	460	510	560
P. General objectives and boundaries indicated. Incumbent develops approach to follow which may be reviewed beforehand by supervisor. Work in process is reviewed with supervisor only when incumbent feels it necessary. End product reviewed for attainment of objectives.	380	430	480	530	580	630
Q. General objectives and desired results are discussed between supervisor and incumbent. Results are reviewed for attainment of objectives.	450	500	550	600	650	700
R. Incumbent identifies objectives, determines desired results and communicates these to supervisor. Work considered as authoritative and normally accepted without change.						

Annex XII

<p>Guidelines are broadly defined and normally require extensive interpretation. Significant departures from guidelines normally required for majority of cases. Incumbent has authority to establish important guidelines.</p>	<p>15. Guidelines are only stated in the broadest policy terms and in terms of the over-all mission of the Organization. Incumbent has authority to establish guidelines of major importance.</p>
310	360
370	420
430	480
510	560
580	630
650	700

WORK RELATIONSHIPS

This factor measures the skill required in work relationships and the importance of contacts to the Organization's programmes

	16. To give, obtain and exchange information requiring discussion and explanation	17. To persuade and obtain assistance of others on matters of non-routine significance	18. To act as adviser or representative of the Organization with authority to discuss problems and seek common ground on which to recommend solutions based on predetermined guidelines provided by higher authority	19. To act as adviser or representative of the Organization with authority to discuss problems, seek common grounds for solutions and either provide authoritative advice or commit the Organization on policy issues of limited significance	20. To act as adviser or representative of the Organization with authority to discuss problems, seek common grounds for solutions and either provide authoritative advice or commit the Organization on policy issues of considerable significance	21. To act as prime adviser to the executive head on policy issues of the highest significance or to act as person representative of the executive head with obtain major commitments on policy issues of the highest significance to the Organization
Skill	70	110	150	190	230	255
Importance	109	145	185	225	265	290
<p>1. Contacts predominantly within same functional area.</p> <p>2. Contacts predominantly within same functional area and with units outside the duty station OR outside functional area extensively throughout Organization, but generally not with units outside the duty station.</p> <p>3. Both of the above.</p>	140	180	220	260	300	325
<p><u>Inside Organization</u></p> <p>S.1. Contacts predominantly within same functional area.</p>	70	110	150	190	230	255
<p>2. Contacts predominantly with persons on routine subject matters.</p>	115	155	195	235	275	300
<p>3. Contacts predominantly with persons on subject matters of importance to Organization's programmes (e.g. counterparts in other organizations or at working level in national Governments).</p>	190	230	270	310	350	375
<p>4. Contacts predominantly with persons on subject matters of greater importance to Organization's programmes (e.g. heads of important organizational units in other organizations or national Governments).</p>	265	305	345	385	425	450
<p>5. Contacts predominantly with persons on subject matters having a significant impact on Organization's programmes (e.g. members of Organization's legislative bodies, executive heads of other organizations, heads of delegations and Ministers in national Governments).</p>	340	380	420	460	500	525

Annex XII

act as or ative of nization ority to problems, non for s and rovide ative r commit nization / issues erable ance	21. To act as prime adviser to the executive head on policy issues of the highest significance or to act as personal representative of the executive head with mandate to make or obtain major commitments on policy issues of the highest significance to the Organization	255
30		
55		290
20		325
0		0
75		300
50		375
25		450
10		525

FACTOR V

SUPERVISOR RESPONSIBILITY

This factor measures the management responsibility of the job in terms of the numbers of staff supervised.

	22	23	24	25	26	27
Responsibility for support staff*	0 or 1 support staff	2-10 support staff	11-25 support staff	26-50 support staff	51-100 support staff	101-200 support staff
Responsibility for Professional staff	0	20	40	60	80	100
U. 0						
V. 1-3 Professional staff	20	40	60	80	100	120
W. 4-8 Professional staff	40	60	80	100	120	140
X. 9-20 Professional staff	60	80	100	120	140	160
Y. 21-40 Professional staff	80	100	120	140	160	180
Z. 41-70 Professional staff	100	120	140	160	180	200
a. 71-100 Professional staff	125	145	165	185	205	225
b. over 100 Professional staff	150	170	190	210	230	250

N.B. Responsibility means being held accountable for the work of those supervised and normally includes the performance appraisal reports.

* Includes general service, local, manual and security staff.

Annex XII

of
d.

	27	28	29
00	101-200 support staff	201-500 support staff	over 500 support staff
0	100	125	150
0	120	145	170
0	140	165	190
0	160	185	210
0	180	205	230
0	200	225	250
0	225	250	275
0	250	275	300

normally includes the preparation of

FACTOR VI
IMPACT OF WORK

This factor measures the importance of decisions and proposals on the Organization's objectives and the consequences of errors on such objectives

Consequences of errors	30. Decisions are rarely, if ever, taken. Proposals, if accepted, affect the work of the immediate organizational unit.	31. Decisions taken are limited to methods of work or individual cases. Proposals, if accepted, directly affect the accuracy, reliability and further processes of services.	32. Decisions taken directly affect the accuracy, reliability of systems, programmes or equipment. Proposals, if accepted, directly affect the design or operation of systems, programmes or equipment.	33. Decisions taken directly affect the design or operation of systems, programmes or equipment. Proposals, if accepted, directly affect the design or operation of major systems, programmes or equipment.	34. Decisions taken directly affect the design or operation of major systems, programmes or equipment. Proposals, if accepted, directly affect a wide range of the Organization's activities, other organizations, national governments or the well-being of large numbers of people.	35. Decisions taken directly affect a range of the Organization's activities. Proposals, if accepted, have a direct and substantial effect on other organizations or the well-being of large numbers of people.
Effect on work	90	140	195	250	310	370
c. Errors normally would cause damage only to incumbent and loss of time to immediate organizational unit.	130	180	235	290	350	410
d. Errors normally would cause damage to the objectives of the immediate organizational unit in terms of time, quality or money.	170	220	275	330	390	450
e. Errors normally would cause significant damage to Organization's programmes in terms of time, quality or money and some damage to Organization's commitments to constituents.	210	260	315	370	430	490
f. Errors would cause significant damage to Organization's major objectives and commitments to constituents.	250	300	355	410	470	530

<p>Decisions taken directly affect the or operation of systems, or names or ent. <u>als</u>, if accepted, ly affect a wide of the zation's ties, other zations, national ents or the eing of large s of people.</p>	<p>35. <u>Decisions taken directly affect a wide range of the Organization's activities.</u> Proposals, if accepted, have a direct and substantial effect on other organizations, national Governments or the well-being of large numbers of people.</p>	<p>36. <u>Decisions taken have a direct and substantial effect on a wide range of the Organization's activities.</u> Proposals, if accepted, substantially influence the over-all future direction of the Organization and have a direct and substantial effect on other organizations, national Governments and the well-being of large numbers of people.</p>
310	370	440
350	410	480
390	450	520
430	490	560
470	530	600

COMMON SYSTEM JOB DESCRIPTION FORM

Guidelines for preparing the Common System Job Description

The following suggestions, although some may appear obvious, may assist you in completing the job description:

General suggestions:

(ε.) The job description form is intended to elicit information about the job and not about the individual that occupies the job. Although it is recognized that the incumbent can affect the job, care should be taken to describe characteristics of the job and not of the incumbent.

(b) Read through all of the form before starting to complete it.

(c) Be concise in your replies, but cover the essential aspects of the job: avoid descriptions of minor duties; avoid repetition; summarize rather than provide rambling narrative.

(d) Concentrate on outputs or end products (what is produced or what the work leads up to); write facts, not appraisals or evaluations of the work.

(e) Describe current work - not work which may have been done at one time in the past.

(f) Avoid ambiguous terms such as "assist", "handle" and "participate"; explain what is done and how it is done; avoid using uncommon abbreviations or technical terms without explaining their meaning.

(g) Please submit a copy of the relevant organization chart if it would be helpful in understanding the job.

Guidelines related to specific questions:

Question 2 - Indicate the minimum professional qualifications, relevant experience and language(s) proficiency required in order to perform the job regardless of the particular qualifications and experience of the present incumbent.

Question 3 - Describe here the involvement required of the incumbent in achieving the objectives of the job in order that the mental demands of the work can be assessed.

Question 4 - Indicate the scope or diversity of the work and the depth of treatment of subject-matter that is required.

Question 5 - Describe how assignments are given to the incumbent and the nature of the instructions received (i.e. indication of the results to be obtained,

instructions as to the methods of work, etc.). Explain what guidance and assistance are provided by the supervisor or other persons in the execution of the work. Indicate what review, verification or other checking is made of the work while in process or when completed.

Question 6 - The term guidelines covers such items as rules, regulations, procedures, manuals, instructions, laws, relevant publications, past precedents, professional practices, policies etc.

Question 7 - Explain the purpose of typical contacts as clearly as possible (i.e. to obtain information on ..., to seek funding for ..., to commit the organization on ..., etc.).

Question 10 - Indicate, in terms of time, quality, money or other factors, the damage to the organization's programmes that would result from the incumbent's involuntary errors.

JOB DESCRIPTION

Organization: _____

Job title of position: _____ Grade: _____

Organizational Setting of the Job

Department/Bureau	_____
Division/Branch	_____
Section	_____
Unit	_____

Professionals Directly Supervised by the Incumbent

Total Staff in organizational units supervised by incumbent:

Professional and higher level staff:

Technical and Administrative Support Staff:

<u>Job Title</u>	<u>Grade</u>	<u>Number</u>

Job title of incumbent's supervisor: _____ Grade: _____

% of time: 1. Summarize the duties and responsibilities of the position and indicate in the margin the percentage of time spent on each:

2. What are the minimum knowledge requirements of the job? (These may not be equivalent to those of the present incumbent.)

	at national level: _____ _____ _____ at international level: _____ _____ _____	
--	---	--

Level and field of study of university degree (or the equivalent acquired through training and self-study)

Length and type of practical experience required

Language(s) proficiency required

3. Work role: What does the job require the incumbent to do (i.e. describe the analysis, interpretation, adaptation, innovation, planning, co-ordinating and directing that the job requires)?

4. What subject area(s) or field(s) of work does the job cover and to what degree is specialization in these required?

5. Describe the control exercised by the supervisor in terms of planning, guiding and reviewing the incumbent's work:

6. Indicate which regulations, manuals, precedents, policies or other guidelines apply to the incumbent's work and to what extent the incumbent is permitted to interpret, deviate from or establish new guidelines:

7. With whom (indicate title only) and for what purpose is the incumbent required to have contacts in the job? (Describe the most typical, not the most unusual, contacts.)

Inside the Organization

Person(s):

Purpose(s):

_____	_____
_____	_____
_____	_____
_____	_____

Outside the Organization

Person(s):

Purpose(s):

_____	_____
_____	_____
_____	_____
_____	_____

8. Describe the most important type(s) of decision(s) the incumbent is authorized to take and why these are important:

9. Describe the most important types of proposals expected of the incumbent in the job and why these are important:

10. Describe the most damaging involuntary error(s) that could be made in the work and the effect(s) that would result:

Prepared by

Job Title

Date

Extra space for replies: (please indicate the corresponding question)

ANNEX XIV

Glossary of terms used in the ICSC Master Standard (Tier I)

1. Factors

The component parts that form a classification point of view constitute the worth of a job. Each factor comprises at least two elements each of which has degrees of importance. A point value is attached to each degree. It is the extent to which each of the factors are present in a job which determines the job's worth.

FACTOR I

2. Theoretical knowledge

Theoretical knowledge is here defined as that information or understanding of theories and concepts obtained through the study of a body of principles or speculative thought or through the conduct of abstract research.

3. Practical experience

The understanding or skill gained through the application of theoretical knowledge in the performance of a particular job or jobs. Note: Credit for theoretical knowledge gained through experience is given only under the horizontal of this factor.

4. Knowledge at first university degree level

Theoretical knowledge gained through an educational programme which results in the certification of qualifications obtained from a post-secondary educational institution such as a university. Alternatively it can be the knowledge gained at a specialized technical or educational institute (e.g. College of Advanced Education, Polytechnique, Fachhochschule, Institute of Technology, etc.) which results in a bachelors degree or its equivalent. Examples of what would constitute first university degree level qualifications, would be bachelors degree in science, arts or licence en lettres, licence en sciences, etc.

5. Knowledge at advanced university degree level

Theoretical knowledge gained through an educational programme at the second university degree level, or alternatively, at a first university degree level which is of extended duration and normally required for entry into certain professions (e.g. law, medicine, engineering). Some examples of qualifications regarded as coming into this category are masters degrees (science, arts, business administration, law, engineering, etc.).

6. Knowledge at highest university degree level

Theoretically knowledge gained through an educational programme the level of

which is normally recognized as having been reached by the award of a degree at the Doctorate level (e.g. Ph.D., D.Sci., LL.D., Doctorat d'Etat, etc.).

7. Equivalent in training

The same level of theoretical knowledge as would normally be obtained through the completion of formal university or other academic education (whether at first, advanced or highest university degree levels) but which is obtained through a formal system of instruction, planned work experience or vocationally-oriented teaching programme (often conducted on the job or within the work context) and which generally does not result in the award of a formal academic qualification. Some examples are the theoretical knowledge gained through participation in training programmes run by government, private corporations, universities or international organizations in fields such as management studies, computer science, applied science or technology, research techniques, etc.

8. Equivalent in self-study

The attainment of a body of theoretical knowledge in a recognized field by an individual through personal application or effort not involving attendance at a formal educational or academic institution. Self-study would not normally result in the formal recognition of the knowledge gained through the award of a degree, diploma or certificate.

9. Experience at international level

The practical experience gained in work which has effects crossing national boundaries, or in work in a national context other than that of the incumbent. For example, work in a government bureau concerned with providing assistance to other countries or work in a private corporation which involves more than one country or work in an international organization. Note: It is important that "experience at the international level" be required by the job. The incumbent should not be given credit for such experience if it is not also required by the job.

10. Experience at national level

The practical experience gained in work which involves national issues or concerns and which is restricted to a single national system or country.

11. Proficiency in language

A working knowledge, sufficient to permit the incumbent to take part in ordinary conversations, to attend meetings, understand what is said there and make his or her own contribution, to write about official matters in a language which, while not necessarily perfect, avoids the grosser grammatical and syntactical errors and is readily comprehensible.

FACTOR II

12. Individual contribution

Individual contribution refers here to the intellectual or creative processes or operations required of the incumbent in the position (as outlined in Question 3 of Job Description Questionnaire).

13. Interpreting rules, procedures or texts

Elucidating or explaining the meaning of regulations, standards or established ways of doing things, that apply either within the organization or to a body of theoretical knowledge or principles in a particular subject area, profession or occupation. Interpretation involves analysing a situation, comparing it to past precedents which are not directly applicable, considering various possible alternative interpretations and choosing from among these the appropriate one. This process involves in-depth analyses and considerable judgement. Interpretation should not be misconstrued to be a process in which the situations presented are repetitive, where directly applicable past precedents exist and where only one interpretation is normally possible. In these latter cases the decision reached is straightforward and does not involve in-depth analyses or considerable judgement.

14. Corrective action

Corrective action involves the process of analysing the work results of other persons, judging the soundness and validity of their conclusions or recommendations and, if necessary, modifying or amending those results or products. Corrective action does not necessarily imply the authority to approve the adjustment or modification. It may, however, take the form of authoritative advice.

15. Adaptive action

Adaptive action involves the process of analysing existing or previously determined decisions, recommendations, conclusions, precedents, products or other work products, judging their application to the current problem or situation and if necessary modifying or adjusting them to meet new or changed circumstances or requirements. Adaptive action does not necessarily imply the authority to approve the adjustments or modifications. It may, however, take the form of authoritative advice.

16. Revising work

The process of re-examining, correcting or modifying and thereby improving work products of others. Note: The revision of work does not necessarily imply the authority to approve the work and may only be an intermediate step to the approval of the work by a higher authority.

17. Developing new approaches, procedures, techniques or terminology

Initiating or preparing original, novel or innovative means of tackling a problem, situation or methodology; methods or manners of undertaking tasks; processes or ways of doing things; technical or special terms, words or nomenclature. Note: It must be borne in mind that there are different types and levels of approaches, procedures and techniques that can be developed within an organization and hence different degrees of importance to be attached to such approaches, procedures or techniques. Level 7 is not meant to include the initiation of simple approaches, procedures or techniques which can be a feature of jobs applying the most basic principles of a profession (as in Level 4) or involving the analysis, interpretation etc. (as in Level 5) or the taking of corrective or adaptive action (as in Level 6), but rather to include those jobs the basic role of which is to develop more important innovative approaches, procedures or techniques.

18. Appreciable part

An important portion of the work, estimated to involve at least one third of the time of the incumbent.

19. Predominantly Level 6 positions

Those positions to which a rating of Level 6 in Factor II would apply form at least a majority of the professional positions concerned.

20. Major part

Indicates those work elements that comprise more than half of the content of the job.

21. New concepts, theories or policies

Original, novel or innovative ideas, notions or areas of abstract or speculative thought; expositions based on general principles of a recognized area of theoretical knowledge; plans or courses of action.

22. Delicate (problems)

Sensitive, critical in nature and requiring careful, skillful and discretionary handling.

23. Launching activities

Conceiving and designing the way to put into operation major projects or programmes of work, organizing the resources needed and initiating the action.

24. Diverse organizational entities

Individual units or divisions within the organization, which carry out different, distinct or separate roles, objectives or types of work.

25. Vital area

A key, essential or crucial part of the organization.

26. Spanning a broad segment

Covering or extending over a wide, extensive or major sector or multi-departmental area of the organization's activities. Note: The extent of "broad" will depend upon the size of the organization.

27. Scope

The range of clearly distinguishable occupations (as shown in the Common Classification of Occupational Groups) which are regularly required to be dealt with in performing the job.

28. Depth

Degree of specialization within a clearly distinguishable occupation (as shown in the Common Classification of Occupational Groups).

FACTOR III

29. Guidelines

Manuals, technical publications, relevant literature, known precedents, accepted practices, standard methods, research techniques or procedures, project documents, oral or written instructions, decisions or deliberations of legislative bodies, advice from colleagues etc.

30. Supervisory control

Degree of direction, oversight or management guidance received in the job from immediate superiors or other entities (such as Committees, Boards or Working Groups). In some jobs the purpose, desired results or approaches may not be indicated by the supervisor but are indicated by the existing procedures or structure of the organization or job.

31. Establish guidelines

To institute, authorize, determine or promulgate, for the work of others, guidelines of the types indicated in the definition of guidelines given above.

32. Policy

Statement expressing the course, approach or plan of action, or official position on a given subject.

33. Extensive interpretation

Requiring in-depth or profound explanation or exposition of the meaning.

34. Objectives (of job)

These are the aims or goals of a job. They are the reasons for existence and are the reference points against which the effectiveness of the job is determined. Note: It is recognized that a hierarchy of objectives exist within an organization from the most general to the most specific. This factor is concerned only with those objectives to which the job under review is directed. These are not to be confused with the objectives of the organization which are the aims and goals of the organization normally set out in the constitution or established by legislative bodies and which are the raison d'être of the organization.

FACTOR IV

35. Non-routine

Matters occurring in the work situation which are not of a regular, predictable or normal nature - questions not fitting into a set pattern.

36. Representative

Having the authority to act as spokesman or agent for the organization. Note: Acting as Representative refers to having contacts or work relations which are normally outside the Organization.

37. Adviser

Having the authority to provide guidance or counselling or to make recommendations or proposals to the organizations or its organs in defined subject-matter area(s). Note: Acting as Adviser refers to having contacts or work relations normally inside the Organization.

38. Contacts

Communication, whether written or verbal, with persons or organizations on issues or questions the treatment of which is required by the job. Note: The vertical element of Factor IV does not measure the importance of the persons or organization contacted, but rather the importance of the subject-matter or issues which are the basis or purpose of the contacts.

39. Functional area

An organizational entity, performing a defined operation or activity, or dealing with a specific subject-matter and which normally has a common or single over-all objective.

40. Extensively throughout organization

Over a broad area of the organization including wide horizontal and vertical contacts and crossing functional, hierarchical and organizational lines.

FACTOR V

41. Professional staff

Staff occupying positions classified in the Professional or higher categories of the United Nations common system.

FACTOR VI

42. Errors

Errors are involuntary; they are mistakes which result from accidental over-sight, fault in judgement or poor choice of a course of action.

43. Proposals

Recommendations or suggestions for a course of action.

44. Further processes or services

Later steps in the work or operations of the organization which are dependent or contingent upon prior proposals.

45. System

A series of interconnected work processes or procedures rationally organized to achieve a common objective.

46. Programmes

The established plans of an organization providing the means for translating broad goals or generalized objectives into work operations.

47. Objectives (of organization)

Note: See definition of objectives of job (No. 34) where the objectives of organization are also discussed.

ANNEX XV

Common fields of work

	<u>Code</u>		<u>No. in category</u>	<u>No. of organizations employing staff in field of work</u>
1.	1A11	- Technical Co-operation Administrators	1 589	13
2-	1E1-			
12.	1E11	- Economists*	1 159	9
13.	106	- Translators and Revisers	936	11
14.	1H1	- Agricultural Scientists	454	6
15.	1A1	- Accountants, Auditors and Financial Analysts	416	13
16.	1A6	- Personnel Management Specialists	396	13
17.	1A8	- Public Information Specialists	377	13
18.	102	- Editors	345	10
19.	1I3	- Medical Doctors	336	7
20.	1A10	- Representation and Protocol Specialists	323	13
21.	1A5	- Electronic Data Processing Specialists	268	11
22.	1M2	- Statisticians	260	8
23.	103	- Interpreters	239	7
24.	1A2	- Budget and Management Analysts	236	7
25.	1J4	- Geologists, Geophysicists and Hydrologists	216	4
26.	1C3	- Librarians	175	12
27.	1L3	- Political Scientists	155	4
28.	1G2	- International Law Specialists	147	8
29.	1B7	- Electrical and Electronics Engineers	146	4
30.	1A9	- Purchasing Specialists	118	10
31.	1L5	- Sociologists	106	5
32.	1B6	- Civil Engineers	104	6
33.	1B3	- Architects and Community Planners	99	3
34.	1G1	- General Legal Advisers	99	10
35.	1H2	- Biological Scientists	95	5
36.	1A3	- Building Services Administrators	87	11
37.	1B13	- Nuclear Engineers	81	2
38.	1K1	- Aviation Specialists	80	2
39.	1A4	- Conference Services Administrators	75	11
40.	1F9	- Vocational Training Specialists	73	3
41.	1B8	- Industrial Engineers	66	3
42.	1A7	- Printing Services Specialists	64	10
43.	1B10	- Mechanical Engineers	38	5
44.	1J2	- Chemists	35	3
45.	1L4	- Social Welfare Specialists	29	4
46.	1B5	- Chemical Engineers	21	4

	<u>Code</u>		<u>No. in category</u>	<u>No. of organizations employing staff in field of work</u>
47.	1F7	- Teachers	18	2
48.	1O5	- Terminologists	16	4
49.	1B11	- Metallurgists and Metallurgical Engineers	16	3
50.	1B2	- Agricultural Engineers	15	3
51.	1F1	- Adult Education Specialists	14	3
52.	1C1	- Archivists	14	4
53.	1I4	- Nurses	13	2
54.	1I2	- Dieticians and Public Health Nutritionists	11	2
55.	1K3	- Sales Specialists	10	4
56.	1J5	- Meteorologists	9	2
57.	1L1	- Anthropologists	9	2
58.	1M1	- Mathematicians and Actuaries	8	2
59.	1F2	- Audio-Visual Specialists	8	4
60.	1B12	- Mining and Petroleum Engineers	8	3
61.	1F6	- Specialists in the Education of the Handicapped	7	2
62.	1B9	- Marine Engineers	5	3
63.	1O4	- Précis-Writers	4	2
64.	1N2	- Traffic and Travel Services Specialists	3	3
65.	1D1	- Creative Artists	3	2

* Includes 11 fields of work 1E1-1E11. However, will be treated as one field of work for the development of Tier II Standards.

ANNEX XVI

Work programme for career development/recruitment

<u>Steps</u>	<u>Items</u>	<u>Action</u>
1	Career and non-career service	Completed, 9th session
2	Career development measures	Completed, 9th session
	A. For career staff	
	B. For non-career staff	
3	Objectives of career development	Completed, 10th session
	A. Needs and benefits of organization	
	B. Needs and benefits of staff member	
4	Interrrelationship of career development and job classification	Completed, 10th session
	A. Distinction between criteria for grading of jobs and for grading of people	
	B. Effects on mobility and career	
	C. Identification of career paths	
	D. Special grading adjustments to improve career development (ICSC report to 34th General Assembly on over-all approach being followed, with recommendations on specific policies)	Sent to 34th General Assembly
5	Divergent grading patterns	
	A. The P-6 grade	Completed, 11th session
	B. National Professionals	Completed, 12th session
	C. Extended General Service grades	Completed, 12th session
6	Performance appraisal)
	A. Criteria for judging performance)
	B. Role of supervisor, staff member, peers, subordinates and personnel department)
	C. Rewards for good performance) Scheduled for 13th session
	D. Sanctions for poor performance)
	E. Effect of performance on career advancement in relation to years of service)
	(ICSC follow-up report to 35th General Assembly with recommendations on specific policies))
7	Special development programmes	
	A. Women, young people, nationals of particular categories of countries	Completed, 12th session
	B. Management training programmes)
8	Inter-organization exchange programmes)
	A. Methods for co-operation) Scheduled for 13th session
	B. Safeguards against excessive competition)
9	Relationship of training to career development)
HUMAN RESOURCE PLANNING		
10	Human resource planning	(To be discussed on basis of Secretariat paper)
	A. Usefulness of such programmes	
	B. Components of such programmes	
11	Promotion policy	(To be discussed on basis of Secretariat paper)
	A. Qualifications for promotion	
	B. "Personal promotions"	
	C. Promotion of General Service staff to Professional category	

ANNEX XVI (continued)

<u>Steps</u>	<u>Items</u>	<u>Action</u>
12	Rules governing internal announcement of vacancies (ICSC follow-up report to the General Assembly with recommendations on specific policies)	(To be discussed on basis of Secretariat paper)
RECRUITMENT POLICY		
13	General recruitment policy A. Proper geographical distribution B. Proper number of women C. Proper number of young people D. Policy concerning the handicapped	(To be discussed on basis of Secretariat paper)
14	Prospection A. Proper use of advertisements B. Methods for inter-organization co-operation (i) Common recruitment procedures (ii) Central recruitment rosters C. Safeguards against excessive inter-organization competition D. Exchange programmes between national and international service	(To be discussed on basis of Secretariat paper)
15	Evaluation and selection A. Evaluation procedures including use of competitive examinations B. Role of line management, staff and personnel department C. Role of Governments D. Recruitment of over-qualified candidates	(To be discussed on basis of CCAQ paper)
16	Appointment and employment A. Grade of initial appointment B. Duration of initial appointment C. Probationary arrangements (i) Length of probationary periods (ii) Probationary requirements (iii) Methods for evaluating success and failure (iv) Procedures for terminating contracts D. Duration of subsequent employment (i) Extended service under fixed-term contracts (ii) Qualifying for permanent contract (iii) Conversion of fixed-term to permanent (ICSC report to General Assembly on over-all career development/recruitment policy)	(To be discussed on basis of CCAQ paper) (To be discussed on basis of Secretariat paper) (To be discussed on basis of CCAQ paper)

ANNEX XVII

Report of the Working Group on Review of the
Statute and Rules of Procedure

Introduction

1. The Commission at its eleventh session, decided to set up a working party composed of eight members a/ to review, in the light of the experience of the past five years and of the discussion at the eleventh session, the Commission's statute and rules of procedure with a view to suggesting any improvements which might be made in those texts. The Working Party was requested to present its findings to the Commission at its twelfth session at which time the Commission would decide what action, if any, it should take.
2. The Working Group met at WHO headquarters from 7 July to 11 July 1980.
3. The Working Group was chaired by the Acting Chairman.
4. At its 1st meeting, on 7 July 1980, the Working Group had before it a background paper prepared by the Executive Secretary (see appendix), which dealt with three areas which were examined by the Commission:
 - A. Procedures relating to the preparation of the Commission's annual report;
 - B. The role of the Commission in the selection of its Chairman and Vice-Chairman;
 - C. The role of the Commission in the appointment of its senior staff.
5. The Working Group decided to take the items as enumerated in the background paper of the Executive Secretary (see appendix) and then to proceed to review all the articles and rules of procedures which over the years had raised questions or problems.
 - A. Procedures relating to the preparation of the
Commission's annual report

6. It was the consensus of the Working Group that, while the sessional reports should normally contain fuller statements of views expressed at the session, the annual report should be concise and informative and at the same time provide the General Assembly supporting information, data and financial implications on its recommendations. A summary of recommendations to the General Assembly should be

a/ Mr. Amjad Ali, Mr. Michael Ani, Mr. Arthur H. M. Hillis, Mr. Akira Matsui, Mr. Jiri Nosek, Mrs. Ersa Poston, Mr. Richard M. Akwei (Acting Chairman) and Mr. Gaston de Prat Gay (Acting Vice-Chairman).

in the front of the annual report as specified in the guidelines provided in the note of the Secretary-General on control and documentation (A/INF/35/1). It reaffirmed the Commission's views contained in paragraphs 174, 175 and 176 of the report of the eleventh session, and agreed that sufficient time should be allowed for the consideration and adoption of the annual report during the fall session, leaving only editorial corrections to be made in the Report.

B. The role of the Commission in the selection of the Chairman and Vice-Chairman

7. In the consideration of this item the Working Group looked at the constitution and procedures of the Advisory Committee on Administrative and Budgetary Questions, the Committee on Contributions, the Investments Committee, the International Law Commission and the Joint Inspection Unit, noting that each of those bodies elected their Chairman and Vice-Chairman, unlike the International Civil Service Commission.

8. The Working Group also considered the history of article 4 of the Commission's statute and recalled that, following the advice of the ACABQ and International Civil Service Advisory Board, the General Assembly preferred the procedure of "quiet diplomacy" rather than the direct elective process, recognizing the interest of three parties in the consultations leading to the nomination by the Secretary-General (the legislative through the Advisory Committee, the Executive Heads through ACC and the staff through FICSA).

9. In this respect the following positions were expressed:

(a) To leave the selection process as it is presently established in the statute;

(b) To amend the statute in order to allow the Commission to elect its Chairman and Vice-Chairman;

(c) To amend the statute in order to provide for the election of a permanent executive commissioner and a permanent joint executive commissioner to discharge the present functions assigned to the Chairman and Vice-Chairman and to provide at the same time for the election of the Chairman and Vice-Chairman to preside over the Commission's sessions;

(d) To amend the statute in order to include the Commission as a whole or the totality of its members on an individual basis on the consultation process envisaged in article 4 of the statute;

(e) To convey to the Secretary-General that the Commission members would appreciate it if he would take into account the views and interests of the members of the Commission on this matter.

10. It was generally understood that the existing statute was the product of some years of thought, consultations and compromise among interested parties. Therefore, any attempt to alter the structure of the Commission must proceed with caution and careful reflection, maintain the confidence of all parties, be an improvement over the existing situation and lead to further harmony and coherence among the Commission members - thus discharging its responsibility to all parties concerned.

11. Taking this fact into consideration the Working Group, bearing in mind the importance of harmony and cohesion in the Commission, agreed by consensus that a message should be conveyed to the Secretary-General that the Commission members would be appreciative if he would take into account the views and interests of the members of the Commission on this matter.

C. The role of the Commission in the appointment of its senior staff

12. The appointment of staff was governed by article 20 of the statute. The Working Group recalled the procedure approved by the Commission at its first session regarding appointments of members of the staff of the Commission. With regard to the two most senior staff members in whose appointment the Commission had expressed special interest, it was agreed that the Chairman may, as far as it is practical, consult the members of the Commission during the sessions, as was done at the eleventh session, and in between sessions, as far as possible and practical, to keep them informed of developments.

Review of statute and rules of procedure

13. Upon completion of its review of the three areas as contained in the background paper, the Working Group briefly reviewed all the articles and rules of procedure of the Commission where issues have arisen.

14. Among the articles of the statute and the rules of the rules of procedure which were specifically commented upon were:

Statute

Chapter I	Article 1
Chapter II	Articles 2-5, 7, 8
Chapter III	Articles 9, 10-12, 18
Chapter IV	Article 20

Rules of procedure

Rules	1, 4, 18, 37
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15. The Working Group recommends that the Executive Secretary should undertake a detailed study of the articles of the statute and the rules of the rules of procedure mentioned above, with the help of a consultant, if necessary.

APPENDIX

Background paper

Prepared by the Executive Secretary at the request of
the Acting Chairman and the Acting Vice-Chairman

1. The Commission, at its eleventh session, decided to set up a working party of its members a/ to review, in the light of the experience of the past five years and of the discussion at the eleventh session, the Commission's statute and rules of procedure with a view to suggesting any improvements which might be made in those texts. The working party was mandated to present its findings to the Commission at its twelfth session at which time the Commission would decide what action, if any, it should take.

2. It will be recalled that the Commission dealt with this item under the following headings:

- A. Procedures relating to the preparation of the Commission's annual report;
- B. The role of the Commission in the selection of its Chairman and Vice-Chairman;
- C. The role of the Commission in the appointment of its senior staff.

3. There are other relevant issues which may be studied in the light of the experience of five years and brought to the attention of the Commission but for reasons of time have not been pursued.

A. Procedures relating to the preparation of
the Commission's annual report

4. The Commission discussed this issue at its eleventh session, which could be summarized under the following headings:

- (1) How to make the annual report concise and at the same time informative and easily understandable to the General Assembly;
- (2) How to ensure that the annual report, once adopted, is not subject to any further substantive change beyond routine editorial amendments;
- (3) While aiming to promote consensus, how individual members, so wishing, can have their views reflected in or annexed to the annual report.

a/ Following members were appointed to the working party: Mr. Ali, Mr. Ani, Mr. Hillis, Mr. Matsui, Mr. Nosek, Mrs. Poston, the Acting Chairman and the Acting Vice-Chairman.

5. In discussing the organization of its annual report, the Commission noted the observations made regarding its report by the Fifth Committee, both at the thirty-third and thirty-fourth sessions and the suggestion of the last General Assembly in its resolution 34/165 that the Commission 'consider ways of reducing the length of its annual report while still making clear in the report or its annexes any recommendations to the General Assembly and the precise effect, impact and costs of any proposals'.

6. The Commission noted that in view of the important dual function of the annual report - to present recommendations to the General Assembly for decision and to inform participating organizations and staff representatives about the Commission's work - the annual report should continue to perform these functions in a single report. It concluded further, however, that in order to facilitate the work of the General Assembly the report should identify clearly the parts calling for decision by the Assembly and the supporting explanatory material provided by the Commission to explain and justify its recommendations, as distinct from the descriptive and informative parts of the report.

7. This decision is not inconsistent with the General Assembly resolution 34/165, however, care must be exercised in order to ensure full compliance with the specific documentation policies issued by the Secretary-General (A/INF.35/1). b/

8. In dealing with subheading (2), the Commission considered a proposal that an editorial board be set up by the Commission to edit the annual report into its final form after the end of the session following its approval by the Commission. It found this proposal, however, unacceptable, and confirmed its practice of leaving to the Executive Secretary the final drafting of those passages which had not been formally adopted during the session, who would work under the authority of the Chairman in accordance with any directive given by the Commission. Any member should have the right to ask that a part of the text in which he was specially interested be submitted to the Commission in draft form and not left to be prepared after the close of the session, provided such a request were made in sufficient time. It was agreed that any consensus or majority decision of the Commission be considered in draft form for possible amendment and adoption. If necessary, a revised draft could be called for and examined at a later meeting. Once passages of the annual report have been adopted in writing at such a subsequent meeting those passages should not be subject to any further changes other than purely formal editorial changes needed to incorporate them into the rest of the text.

9. Subheading (3) was not easy to resolve. The Commission noted that its practice had been that, in the sections of the annual report recording the Commission's discussion of a question, the different views expressed should be summarized in a balanced manner; when the views of an individual member were recorded, that member was entitled to determine the words in which his views were summarized. In general it was agreed that the report would be more effective if recommendations presented to the General Assembly and other legislative bodies for action were not qualified by dissenting or minority views. The Commission agreed, however, to continue its present practice by which those members who so desired could have their dissenting views reflected in the summary of the Commission's discussion.

b/ Attachment I reproduces the pertinent sections of document A/INF.35/1 on control and limitation of documentation.

10. With regard to the question of whether members had the right to have their individual views annexed to the report, there was a division of opinion on this issue. The absence of any specific provision in the statute or rules of procedure with respect to the annual report neither prescribed nor precluded the annexing of individual views to that report. Some members claimed that rule 21 recognizes this right only to a sessional report because the rule appears only under the title "Reports of Sessions". Others claimed that the rule recognizes this right implicitly because the annual report deals with a part of the work of a session and as such forms part of the report of a session. To recognize the right to annex individual views to a sessional report therefore implies the right to annex individual views also to the annual report.

11. It was also agreed, however, that the issue could be left to the Commission to consider and decide if and when an actual occasion arose of a member desiring to have his views annexed, since to date no such occasion had yet arisen in the history of the Commission.

B. The role of the Commission in the selection of its
Chairman and Vice-Chairman

12. It will be recalled that the General Assembly decided, in its resolution 3042 (XXVII) of 19 December 1972, to establish, in principle, an International Civil Service Commission for the regulation and co-ordination of the conditions of service of the United Nations Common System, and requested the Secretary-General to submit to it at its twenty-eighth session a draft statute for the Commission as well as proposals for its administrative, budgetary and financial arrangements. In presenting his report (A/9147, para. 3) to the General Assembly, the Secretary-General noted that "it was the Advisory Committee's view that, subject always to consideration and decision by the General Assembly, the right blend of qualifications, outlook and geographical distribution could best be assured through quiet diplomacy, rather than by the direct elective process".

13. In reaching agreement on the draft statute for the Commission, the Secretary-General and his colleagues in ACC also solicited the advice of the International Civil Service Advisory Board (ICSAB), which helped to resolve some of the controversial issues relating to the proposed terms of reference of ICSC.

14. ICSAB, in its report (*ibid.*, annex II, paras. 23-26) commenting on the appointment of full-time members noted that:

"There would still be the theoretical possibility of conferring upon the plenary Commission the power either to select the members to serve full-time or to decide for itself what authority is to be delegated to them.

"The Board, however, accepts the assumption of the statute that the General Assembly will want to appoint the Chairman and any full-time members - in accordance with its own criteria or competence and acceptability - to a body whose impact on the efficiency of administration within the family of the United Nations will be so influential.

"Moreover, the governing bodies of the several agencies, and their executive heads, will quite excusably be concerned to satisfy themselves

that they are transferring their functions to members of this Commission well chosen for the purpose.

"A lesser difficulty with the selection of the Chairman or other full-time members by a plenary commission is that the availability of any high-level expert for full-time service over a four-year term is a matter which must be determined during the nominating process and cannot be left to an election procedure within the Commission after that body has been appointed."

15. Thus, the General Assembly, in adopting the statutes with the commentary contained in the report of the Secretary-General, recognized the interests of three parties in the consultation leading to nomination by the Secretary-General (the legislative through the Advisory Committee, the Executive Heads through ACC and the staff through FICSA). It preferred the procedure of "quiet diplomacy" rather than direct election by the plenary Commission.

16. These background discussions and consultations led to the adoption of the statute of the Commission by the General Assembly, article 4 of which states as follows:

- "1. After appropriate consultation with Member States, with the executive heads of the other organizations and with staff representatives, the Secretary-General, in his capacity as Chairman of the Administrative Committee on Co-ordination, shall compile a list of candidates for appointment as Chairman, Vice-Chairman and members of the Commission and shall consult with the Advisory Committee on Administrative and Budgetary Questions before consideration and decision by the General Assembly.
- "2. In the same way, the names of candidates shall be submitted to the General Assembly to replace members whose terms of office have expired or who have resigned or otherwise ceased to be available."

Practice of the Commission c/

17. In 1975 the first Chairman and Vice-Chairman of the Commission, Mr. Raul Quijano and Mr. A. L. Adu, respectively, were nominated in accordance with this procedure without any involvement of the Commission. Of course, at that time the Commission not having been set up, it could not be involved.

18. In 1977 the Commission had been in existence for three years. The Vice-Chairman, Mr. Adu, died and Mr. Richard Akwei was nominated to the post of Vice-Chairman for Mr. Adu's remaining term in accordance with the existing procedures, i.e., by the Secretary-General without any involvement of the Commission members. Again in 1978, on the expiry of the terms of office of the Chairman and Vice-Chairman, Mr. Quijano and Mr. Akwei were nominated to their respective posts, by the same procedure. In 1979 when the Chairman, Mr. Quijano, resigned and the Vice-Chairman became Acting Chairman and it became necessary to nominate an Acting Vice-Chairman, Mr. Gastón de Prat Gay was nominated by the Secretary-General under existing procedure without any involvement of the Commission members.

c/ For the statutory provisions relating to the practice among some subsidiary organs on the appointment of the Chairman and the Secretary, see attachment II.

C. The role of the Commission in the appointment of its senior staff

19. The appointment of staff of the Commission is governed by article 20 of the statute which states as follows:

- "1. The Commission shall have a staff as provided in the budget approved by the General Assembly.
- "2. The staff, selected in accordance with the provisions of Article 101, paragraph 3, of the Charter of the United Nations, shall be appointed by the Secretary-General after consultation with the Chairman of the Commission and, as regards senior staff, with the Administrative Committee on Co-ordination. All staff shall be appointed after appropriate selection procedures. In carrying out their duties, they shall be responsible to the Chairman and shall be removable only after consultation with him or her.
- "3. Subject to paragraph 2 above, the staff of the Commission shall be regarded for administrative purposes as officials of the United Nations, which shall provide the necessary administrative facilities for them.
- "4. Within the relevant budgetary provisions, the Commission may employ such experts and auxiliary staff as it may deem necessary."

20. At its first session in May 1975, the Commission approved the following procedures for the appointment of staff:

Delegation of responsibility for specific functions

The Commission noted the discussions which had led to the adoption by the General Assembly of article 18 of the statute. It decided:

"(a) That responsibility for certain ongoing functions, i.e., the over-all guidance of the work of the Secretariat, in particular in the making of studies required by the Commission and the operation of its budget, the appointment of members of the staff of the Secretariat (in respect of which the Chairman is given specific responsibilities under article 20 of the statute), reviewing the programme of work of cost-of-living surveys to be made by the statistical services, the approval of periodic revisions of the schedules of post-adjustment classifications and daily subsistence allowance rates (under articles 11 (b) and (c)), be delegated to its Chairman (in the latter case, these functions to be assumed at the earliest practical date):

"(b) That responsibility for ad hoc functions, e.g. supervision of studies relating to specific areas of the Commission's work, might be delegated, as the need arose, to the Chairman or the Vice-Chairman or to members of the Commission, either singly (i.e., acting as Special Rapporteurs) or in groups (i.e., acting as task forces or working groups").

21. The Commission having considered document ICSC/R.5/Add.1, approved the following procedure regarding consultation on appointments of members of the staff of the Commission:

(a) Notice of vacancies occurring in Professional posts in the secretariat of the Commission would be sent to all the participating organizations, which would be invited to submit candidatures, either of members of their staff or of other qualified persons known to them. Particular vacancies might also be brought to the notice of Member States or of professional societies when that appeared appropriate;

(b) All candidatures received would be evaluated by the Executive Secretary who would draw up a short list for the approval of the Chairman;

(c) In the case of posts at P-5 and above the short list would be communicated by the Chairman of the Commission to the Chairman of ACC, with the request that he consult his colleagues and inform the Chairman of their views;

(d) In the case of posts at grades P-1 to P-4 the Chairman might, if that appeared desirable, obtain the views of the representatives of executive heads in the most convenient manner;

(e) After the consultations referred to in paragraphs (c) and (d) above, the Chairman would inform the Secretary-General of the candidate selected and request his or her appointment;

(f) For posts in the General Service category, the normal appointment and promotion procedures of the United Nations would be followed.

22. The appointments of senior staff have been carried out in accordance with the above procedures and the provisions of article 20 of the Statute.

23. In making these appointments no distinction has been made between the Executive Secretary or any other senior staff.

24. The first Executive Secretary of the Commission, Mr. Roger Barnes, was appointed when the Commission was not in existence. Thus there was no question of the Commission being consulted. The Chairman of the Commission was, however, consulted.

25. In 1977 when the Chief of Salaries and Allowances retired and his replacement, Mr. Harari, was appointed, there was no consultation with the Commission members. The then Chairman considered several candidates and then submitted his recommendation to the Secretary-General.

Attachment I

Excerpts from document A/INF/35/1

1. Reports of subsidiary organs

19. Reports submitted by subsidiary organs or bodies should be drafted on the basis of the following principles:

(a) The reports should be action-oriented and concise and should contain precise information confined to a description of the work done by the organ concerned, to the conclusions it has reached, to its decisions and to the recommendations made to the organ to which it is reporting:

(b) Introductions containing background information should, as far as possible, be confined to matters of substance rather than procedure and should contain only what it is essential to bring to the notice of the organ to which the report is addressed;

(c) The account of the deliberations should be concise and should be supplemented, as necessary, by cross-references to the meeting records; verbatim or summary records of an organ, or extracts therefrom, should not be included in its report;

(d) Texts available in easily accessible documents should not be incorporated in or annexed to the report; in particular, verbatim or summary records, working papers or extracts therefrom should not be included as annexes;

(e) Texts which are not easily accessible should not be annexed when their substance can reasonably be incorporated in the main body of the report;

(f) Participants should not be listed by name, unless they are serving in their individual capacity;

(g) Where appropriate, reports should include a summary of the proposals, conclusions and recommendations contained therein /resolution 2836 (XXVI), para. 3/.

20. Reports of subsidiary bodies should be submitted in good time so that the issuance of those reports first in provisional form and later in final form may be avoided /resolution 2292 (XXII), annex, para. (1)/.

21. The Main Committees of the General Assembly were requested, when considering items on their agenda which involve the submission of annual reports of subsidiary organs or of the Secretary-General, to review whether such reports can be submitted at less frequent intervals /resolution 2836 (XXVI), para. 9/.

22. No reports /of subsidiary organs of the General Assembly/ should contain a compilation of other previous documents /decision 34/401, para. 25/.

23. Subsidiary organs should not annex to their reports summary records of their meetings or other material which has already been distributed to all Member States /ibid., para. 26/.

24. By paragraph 2 of its resolution 34/50 of 23 November 1979, the General Assembly decided upon the application to its subsidiary bodies of the revised guidelines for the format and contents of their reports (see annex II), which, by its resolution 1979/69 of 2 August 1979, had been accepted by the Economic and Social Council for its functional commissions and standing committees. It was understood at the same time that particular subsidiary organs would be allowed to introduce specific adjustments in their reporting and recording procedures in the light of their established functions and of the questions dealt with by them.

Attachment II

Revised guidelines for the format and contents of the reports of subsidiary organs of the General Assembly

1. The new format of the reports would seek to present clearly and succinctly all the information that the General Assembly needs in order to review the work of its subsidiary bodies and to act on the recommendations made by them.

Chapter I

2. Matters calling for action by the General Assembly or brought to its attention would be given in chapter I. These would include:

(a) The text of draft resolutions and decisions recommended for adoption by the Assembly;

(b) A concise statement of any other issues requiring action by the Assembly, including the draft agenda proposed by the commission or committee for its next session. Each issue should be set out in a separately identified paragraph. If the relevant decision of the commission or committee was in the form of a statement of this issue, it would be reproduced in full; if it formed part of a more lengthy exposition, only part of which required action by the Assembly, then only the issue to be acted upon would be given. A cross-reference would be made to the relevant paragraphs of the report;

(c) Any other matters requiring special attention, such as proposed changes in membership, comments on the pattern of sessions, etc.

Other Chapters

3. Each item on the commission's agenda would be given in a separate chapter, beginning with chapter II.

4. The account of proceedings would consist of a concise statement of information that the commission considered it essential to transmit to the General Assembly. The method of reporting would vary according to the nature of the commission or committee and the questions before it. One commission might conduct its work by consensus; another might have before it items that involved differences of opinion and numerous draft resolutions and amendments that it might wish to place on record.

5. The views expressed would not normally be attributed to particular speakers but would be summed up and presented collectively. Such forms as "Several representatives expressed the view that ..." and "The Commission noted with interest ..." would be used. When, however, the nature of the debate is such that it would be desirable to identify the speaker, this will be done, normally upon the proposal of the Chairman, the Rapporteur or a delegation. Details of voting could be given as appropriate.

6. In the case of a commission or committee that conducts its work by discussion and consensus, rather than by adopting texts for submission to the General Assembly, any conclusion it reaches would be summarized and presented in chapter I, for the convenience of the Council.

7. The report would also contain chapters on programme objectives, decisions adopted by the commission (other than those in chap. I requiring action by the General Assembly); and the organization of the session (opening and duration, election of officers and agenda). In the chapter on the organization of meetings a brief mention may be made of opening statements, with a reference in one or two sentences to their general theme. The statements would not be summarized at length, nor would they be given in whole or in part in an annex.

Annexes and appendices

8. Matters to be annexed should include the statements of financial implications of decisions taken by the commission or committee during the session and, if appropriate, a list of documents.

9. A commission or committee might also decide that the annex should contain the record of a discussion of a specific issue. The manner in which such a record would be prepared should be considered by the commission or committee, in consultation with the Secretariat, at the time when the inclusion of the record is decided upon.

<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
1947 Res. 173 (II)	Original 9 Present 16	Elected by the Committee	Appointed by the Secretary-General

Mandate

"The Advisory Committee on Administrative and Budgetary Questions shall be responsible for expert examination of the programme budget of the United Nations and shall assist the Administrative and Budgetary Committee (Fifth Committee). At the beginning of each regular session at which the proposed programme budget for the following biennium is to be considered it shall submit to the General Assembly a detailed report on the proposed programme budget for that biennium. It shall also submit, at such times as may be specified in the applicable provisions of the Financial Regulations and Rules of the United Nations, a report on the accounts of the United Nations and all United Nations entities for which the Secretary-General has administrative responsibility. It shall examine on behalf of the General Assembly the Administrative budgets of specialized agencies and proposals for financial and budgetary arrangements with such agencies. It shall perform such other duties as may be assigned to it under the Financial Regulations of the United Nations."

Name

Advisory Committee on Administrative and Budgetary Questions (ACABQ)

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
Committee on Contributions	"The Committee on Contributions shall advise the General Assembly concerning the apportionment, under Article 17, paragraph 2, of the Charter, of the expenses of the Organization among Members, broadly according to capacity to pay ... The Committee shall also advise the General Assembly on the assessments to be fixed for new members, on appeals by Members for a change of assessments and on the action to be taken with regard to the application of Article 19 of the Charter."	1947 Res. 173 (II)	Original 10 Present 18	Elected by the Committee	Appointed by the Secretary-General
Investments Committee	"Subject to the complete separation to be maintained between the assets of the (United Nations Joint Staff Pension) Fund and the assets of the United Nations as provided in article 14, the investment of the assets of the Fund shall be decided upon by the Secretary-General, after consultation with an Investments Committee and after having heard any observations or suggestions by the Joint Staff Pension Board concerning the investments policy. ..."	1948 Res. 248 (III)	Original 3 Present 9	Elected by the Committee	Designated by the Controller (United Nations)

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
International Civil Service Commission (ICSC)	"In the exercise of its functions, the Commission shall be guided by the principle set out in the agreements between the United Nations and the other organizations, which aims at the development of a single unified international civil service through the application of common personnel standards, methods and arrangements. The Commission shall make recommendations to the General Assembly on: (a) The broad principles for the determination of the conditions of service of the staff; (b) the scales of salaries and post adjustments for staff in the Professional and higher categories; (c) allowances and benefits of staff which are determined by the General Assembly; (d) Staff Assessment." "The Commission shall establish: (a) The methods by which the principles for determining conditions of service should be applied; (b) rates of allowances and benefits, other than	1974 Res. 3357 (XXIX)	Original and Present 15	Article 4 (Statute) After appropriate consultations with Member States, with the executive heads of the other organizations, and with staff representatives the Secretary-General in his capacity as Chairman of the Administrative Committee on Co-ordination, shall compile a list of candidates for appointment as Chairman and Vice-Chairman and Members of the Commission and shall consult with the Advisory Committee on Administrative and Budgetary Questions before	Appointed by Secretary-General after consultation with the Chairman of the Commission and the ACC (See Article 20 (2) of the ICSC Statute)

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
International Civil Service Commission (ICSC) (continued)	<p>pensions and those referred to in article 10 (c), the conditions of entitlement thereto and standards of travel; (c) the classification of duty stations for the purpose of applying post adjustments." "At the headquarters of duty stations ... the Commission shall establish the relevant facts for, and make recommendations as to the salary scales of, staff in the General Service and other locally recruited categories. ...</p> <p>The Commission shall establish job classification standards for all categories of staff in fields of work common to several of the organizations. It shall advise the organizations on the development of consistent job classification plans in other fields of work."</p>			consideration and decision by the General Assembly.	

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
International Law Commission (ILC)	"The International Law Commission shall have for its object the promotion of the progressive development of international law and its codification. The Commission shall concern itself primarily with public international law, but is not precluded from entering the field of private international law."	1947 Res. 174 (II)	Original 15 Present 25	Elected by the Commission	Article 14 (Statute) The Secretary- General shall, so far as he is able, make available staff and facilities required by the Commission to fulfil its task.

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
Joint Inspection Unit (JIU)	<p>"The Unit shall perform its functions in respect of and shall be responsible to the General Assembly and similarly to the competent legislative organs of those specialized agencies and other international organizations within the United Nations system which accept the present statute ... The Unit shall be a subsidiary or an of the legislative bodies of the organizations.</p> <p>... The Inspectors shall have the broadest powers of investigation in all matters having a bearing on the efficiency of the services and the proper use of funds. They shall provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater co-ordination between organizations. The Unit shall satisfy itself that the activities undertaken by the organizations are carried out in the most economical manner and that the optimum use is made of resources available for carrying out these</p>	1966 Res. 2150 (XXI)	Original 8 Present 16	Article 18 (Statute) The Unit shall elect each year from among the inspectors a Chairman and Vice-Chairman. The Chairman shall play a co-ordinating role in respect of the Unit's programme of work for the year. The Chairman shall be the formal channel of communication with the competent bodies and the executive heads of the organizations. He shall represent the Unit, as necessary, at	Article 19.2 (Statute) The staff, selected in accordance with Article 101, paragraph 3, of the Charter of the United Nations shall be appointed by the Secretary-General after consultation with the Unit and, as regards the appointment of the Executive Secretary, after consultation with the Unit and the Administrative Committee on Co-ordination. The staff of the secretariat of the Unit shall be staff members of the United Nations and the Staff Regulations and Staff Rules of the United Nations shall apply to them.

<u>Name</u>	<u>Mandate</u>	<u>Year established</u>	<u>Membership</u>	<u>Chairman</u>	<u>Secretary</u>
Joint Inspection Unit (JIU) (continued)	<p>activities. Without prejudice to the principle that external evaluation remains the responsibility of appropriate intergovernmental bodies, the Unit, with due regard to its other responsibilities, may assist them in carrying out their responsibilities for external evaluation of programmes and activities. On its own initiative or at the request of the executive heads, the Unit may also advise organizations on their methods for internal evaluation, periodically assess these methods and make ad hoc evaluations of programmes and activities. The Inspectors may propose reforms or make recommendations they deem necessary to the competent organs of the organizations. They shall not, however, have the power of decision, nor shall they interfere in the operations of the services they inspect."</p>			meetings of the organizations and perform on the Unit's behalf such other functions as it may decide.	

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