



UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
LIMITED

A/C.5/L.1221  
15 December 1974

ORIGINAL: ENGLISH

Twenty-ninth session  
FIFTH COMMITTEE  
Agenda item 82

UNITED NATIONS SALARY SYSTEM

Draft report of the Fifth Committee (Part I)

Rapporteur: Mr. Mahmoud M. OSMAN (Egypt)

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## I. INTRODUCTION

1. The Fifth Committee considered agenda item 82, "United Nations salary system" at its 1688th to 1694th meetings, held from 10 to 16 December 1974. The two questions dealt with were the draft Statute of the International Civil Service Commission and the proposals made by the International Civil Service Advisory Board (ICSAB) on the salaries and allowances of staff in the Professional and higher categories.

## II. INTERNATIONAL CIVIL SERVICE COMMISSION

### A. Documentation before the Committee

2. The Committee had before it the report of the Secretary-General on the draft Statute of the International Civil Service Commission (A/9738 and Add.1 and Corr.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/9891).

3. The report of the Secretary-General contained observations on certain provisions of the original draft Statute which had been submitted to the General Assembly at its twenty-eighth session (A/9147 and Corr.1) and revised budgetary estimates for the operation of the Commission and its secretariat. At its twenty-eighth session, the General Assembly, acting on the recommendation of the Fifth Committee following its preliminary consideration of the draft statute and the related interim report of the Advisory Committee (A/9370), had decided to defer consideration of the draft statute until its twenty-ninth session and had requested the Secretary-General, in the meantime, to communicate the text of the draft statute to Governments of Member States for comment. The texts of 22 of the 26 replies received were annexed to the Secretary-General's report; the remaining four were in the nature of formal or interim acknowledgements.

4. In consideration of the issues raised by the Advisory Committee in its interim report and of the views expressed by Member States both in the preliminary debate of the Fifth Committee at its twenty-eighth session and in the written comments submitted subsequently, the Secretary-General stated that modifications might have to be made to those provisions of the draft statute relating to the composition of the Commission (article 2) and to its functions and powers (article 18). He suggested that it might be feasible initially to have two rather than three of the 13 commissioners as full-time members, the Chairman and Vice-Chairman. He also proposed a revised text of article 18 aimed at removing any doubt about the indivisibility of the Commission's powers and the equality of its members.

5. The revised budget for the Commission submitted by the Secretary-General estimated the costs of the Commission at \$1,236,000 net of staff assessment for 1975 and at \$3,487,000 for the biennium 1976-1977. Of these amounts, the United Nations would pay about 33 per cent of the costs amounting to \$407,800 in 1975 and \$1,150,300 in 1976-1977; the other organizations in the United Nations common system would pay the rest.

6. The budget estimates included provision for two full-time commissioners who would receive remuneration at the level of an Assistant Secretary-General and for a secretariat staff of 48 (20 Professional and above and 28 General Service); 25 of the 48 posts would be existing posts transferred from the United Nations and the specialized agencies (10 Professional and above and 15 General Service) and 23 would be newly created posts (10 Professional and above and 13 General Service).

7. In its report (A/9891), the Advisory Committee expressed the opinion that the revised draft statute provided a broadly acceptable framework for the functioning of the Commission. In its comments on individual articles, the Advisory Committee dealt in the main with those related to the functions of the Commission, its size and structure, and the division of responsibilities between the Commission as a whole and its full-time members.

8. As regards the functions of the Commission, the Advisory Committee stated that it could not accept the provisions of article 11 (b) whereby authority would be granted to the Commission to establish the rates of allowances and benefits (other than pensions) for staff in the Professional and higher categories. It was of the view that the determination of the rates of major allowances and benefits should remain vested in the General Assembly and that the Commission's role should be confined to making recommendations. In addition, the Advisory Committee recommended that article 12, which defined the Commission's responsibilities in the area of General Service salaries, should be amended to specify that the Commission itself would determine when and at what pace it would assume those responsibilities, and that when the Commission acted on the request of an executive head to determine General Service salary scales at a particular duty station, its determination should apply to all staff in the same category at that station.

9. On the size and structure of the Commission, the Advisory Committee stated that it was prepared to accept the conclusions of ACC that the Commission should have a membership of 13 and that two of the commissioners should be full-time, the Chairman and Vice-Chairman. It also agreed that the Chairman and the Vice-Chairman should be designated by the General Assembly.

10. As for the division of responsibilities between the Commission as a whole and its full-time members, the Advisory Committee was of the view that while the revised text of article 18 proposed by the Secretary-General was an improvement on the original version, it was not fully satisfactory in that it did not specify that all powers should be vested in the Commission, which might delegate responsibilities as it saw fit to ensure its efficient functioning. Accordingly, the Advisory Committee recommended a rewording of article 18 to achieve the desired objective.

11. The Advisory Committee also recommended that changes be made in articles 1 (a), 7, 21, 22 (b), 24, 30 and 32 respectively to incorporate the following provisions:

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(a) A broad statement of the purpose of the Commission;

(b) That the power of terminating an appointment of a Commissioner should rest with the General Assembly upon receipt of the unanimous opinion of the other commissioners;

(c) That the staff of the Commission should be selected in accordance with the provisions of Article 101.3 of the Charter of the United Nations;

(d) That the budget of the Commission should be included in the regular budget of the United Nations;

(e) That the Commission should meet at least once every year;

(f) That meetings of the Commission should be closed and that summary records should not be provided.

(g) That any organization withdrawing its acceptance of the statute should give notice to the Secretary-General of the United Nations who should draw such notice to the attention of the United Nations General Assembly and, through the executive heads concerned, to that of the legislative organs of the other participating organizations.

12. Finally, the Advisory Committee recommended that the term "staff representatives" referred to in various articles should be suitably defined.

13. On the budget for the Commission, the Advisory Committee recommended that a clear differentiation should be made in it between the costs of the Commission and the cost of the supporting secretariat. In order to ensure that the full-time commissioners were seen to be independent of the secretariat, the Advisory Committee recommended that their remuneration should be set by the General Assembly outside the common system and should be in the form of an honorarium.

14. With respect to the suggestion of the International Civil Service Advisory Board and the Secretary-General that it might be necessary on occasion to provide per diem compensation, in addition to the payment of travel and subsistence expenses, to the other members of the Commission, the Advisory Committee suggested that the matter should be studied in the wider context of its general application to members of the United Nations bodies serving in their individual capacity.

15. As to the staffing of the secretariat of the Commission, the Advisory Committee was of the opinion that the Commission should start its work with the staff to be made available by transfers from posts within the United Nations system. Accordingly, it recommended that for 1975 the Commission should be provided - within existing resources - with a total staff of 25, 10 Professional and above and 15 General Service staff.

16. The Advisory Committee recommended an increase in the budget provision in respect of documentation for the Commission to provide for the issuance of the

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Commission's documentation in the five working languages of the subsidiary organs of the General Assembly. This would involve an additional cost of \$15,000 for 1975, above the figure cited by the Secretary-General.

17. On the basis of its recommendations, the Advisory Committee arrived at a budget for the Commission in 1975 of \$920,000, as against the Secretary-General's estimate of \$1,236,000. The net extra cost to the United Nations would be \$54,000.

18. At its 1690th meeting, on 12 December 1974, the Fifth Committee received at its request a document (A/C.5/L.1213) containing the amendments to the draft statute of the Commission prepared by the Secretariat on the basis of the recommendations of the Advisory Committee. At the 1692nd meeting, it received a revised text of the draft statute (A/C.5/L.1217) containing the amendments recommended by the Advisory Committee, with the exception that two alternatives were put forward for article 7 dealing with the power to terminate an appointment of a Commissioner - alternative 1 was the recommendation of the Advisory Committee and alternative 2 that of the Secretary-General.

#### B. Discussion

19. All the delegations participating in the discussion attached importance and a sense of urgency to bringing the International Civil Service Commission into operation so that the comprehensive review of the United Nations salary system begun in 1971 by the Special Committee for the Review of the United Nations Salary System could be completed. The concerns, doubts and misgivings voiced by a number of delegations over the approaches followed or not followed by ICSAB in its assessment of the need for an adjustment in the base salaries of staff in the Professional and higher categories (see chapter III) contributed to this sense of urgency. It was noted that all parties - including ICSAB itself - agreed that the use of piecemeal or stop-gap measures to meet problems arising under the present salary system should be brought to an end.

20. The discussion of the draft statute centred on the amendments proposed by the Secretary-General and the Advisory Committee in their respective reports. For the most part, those amendments involved articles related to the composition and appointment of the Commission, its functions and powers and its procedures.

21. Although some delegations expressed preference for a more compact Commission, a consensus emerged that the Commission should be composed of 13 members so as to make it sufficiently representative to command general confidence, that the commissioners should be selected on the basis of equitable geographical representation and appointed by the General Assembly, and that the independence of the Commission and of the individual commissioners should be respected by all, subject only to the overriding consideration that the Commission would be responsible as a body to the General Assembly. Most delegations supported the suggestion of the Secretary-General that the Commission should have two full-time members, its Chairman and Vice-Chairman (rather than three as provided in the original draft statute) who should be designated by the General Assembly. Several delegations

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indicated that they favoured the Commission having only one full-time member, its Chairman. These delegations also preferred that the Chairman be elected by the members of the Commission for a term of one year with the right of re-election.

22. As regards the powers and functions of the Commission, many delegations welcomed the amendment of article 18 proposed by the Advisory Committee which removed any doubts about the indivisibility of the powers of the Commission and the equality of its members, and clearly specified that the Commission should retain the power to delegate responsibilities to its Chairman, Vice-Chairman or to any other member or members as it saw fit.

23. With regard to the responsibilities of the Commission in respect of the allowances and benefits of staff, most delegations supported the proposal of the Advisory Committee that the determination of the rates of the major allowances and benefits, particularly those involving basic social policy, should remain vested in the General Assembly. Accordingly, they favoured the proposed amendments to articles 10 and 11. One delegation expressed the view that the original drafting of those articles made the correct distinction between those matters on which the Commission should make recommendations to the General Assembly and those on which it should have regulatory powers. It felt that serious administrative difficulties might arise if decisions on the amounts of benefits, as distinct from principles on which such benefits were to be calculated, had to await the following session of the General Assembly.

24. A number of delegations commented favourably on the amendments proposed by the Advisory Committee to article 12 which dealt with the responsibilities of the Commission in the area of General Service salaries. They felt that the determination of General Service salaries would add considerably to the workload of the Commission and that, therefore, it should adopt a gradual approach to the assumption of those responsibilities. Because of the importance and complexity of its immediate task of reviewing the salary system the Commission should avoid the temptation to do too much too quickly and should be selective in establishing its initial work programme.

25. One delegation spoke in favour of the recommendation of the Advisory Committee that the term "staff representatives" mentioned in several articles should be defined while another felt that this was purely an administrative matter which could best be dealt with outside the terms of the statute itself.

26. Some delegations raised questions in regard to the implications of the Advisory Committee's recommendation that article 7 be amended to specify that the power of terminating the appointment of a member of the Commission should rest with the General Assembly subject to the unanimous opinion of the other members of the Commission.

27. In the course of the general discussion of the articles of the draft statute, agreement was reached on amending several articles not covered by the proposals of the Advisory Committee. Among these were the revision of article 3 (b) to replace the words "broad geographical distribution" with "equitable geographical distribution", and the specification in article 27 that the establishment of

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subsidiary bodies by the Commission would require the approval of the General Assembly. It was also agreed that it was not necessary to define the term "staff representatives" in the draft statute. All such amendments were reflected in the revised draft statute contained in document A/C.5/L.1217.

28. One delegation questioned the choice of Geneva, Switzerland to be the seat of the Commission. Upon being informed by the Under-Secretary-General for Administration and Management that Geneva was selected because it was the headquarters city for five of the organizations in the United Nations common system and that, in addition, five other organizations had their headquarters in Europe, the delegation stated that the reason given seemed to contradict the provisions of article 6 (b) in that the organizations in Geneva might exert undue influence and pressure on the Commission.

29. One delegation expressed the view that article 26 of the revised draft statute with its provision that the decisions and recommendations of the Commission should not prejudice the acquired rights of the staff might constitute a serious impediment to the Commission's ability to revise and rationalize the salary system.

30. In responding to various questions and points raised by delegations, the Under-Secretary-General for Administration and Management made the following comments, inter alia:

(a) In accordance with the provisions of General Assembly resolution 3042 (XXVII), the representatives of the Secretary-General had undertaken consultations with the Advisory Committee on the prospective candidates for appointment to the Commission;

(b) Because the Secretary-General shared the reservation expressed by certain delegations about the Advisory Committee's recommendation for changing article 7, ~~he decided not to redraft the article but simply add a subparagraph to make~~ clear that the power of terminating a commissioner should be vested in the Commission. As amended, the article was along the lines of a similar provision in the statute of the International Court of Justice. Thus, two alternative texts of article 7 had been put before the Committee in the revised draft statute (A/C.5/L.1217):

(c) The Secretary-General did not feel that it was necessary to include in the draft statute the Advisory Committee's recommendation that the Commission should not be entitled to summary records, since the General Assembly in resolution 2538 (XXIV), paragraph 10 (b), had stated that verbatim or summary records would not be provided for a newly established subsidiary body of the Assembly unless specifically authorized in the enabling resolution;

(d) In view of the provisions of article 6 (a) which stated that the Commission would be responsible as a body to the General Assembly and to a similar provision in General Assembly resolution 3042 (XXVII) establishing the Commission in principle, the Secretary-General did not believe it to be necessary or desirable

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to explicitly state in the statute that the Commission should be subject to the general direction of the General Assembly as the Advisory Committee had recommended;

(e) The provision in article 26 relating to the acquired rights of the staff was introduced because the United Nations Staff Regulations which had been adopted by the General Assembly included such a provision. The same was true for the regulations of the other organizations in the common system;

(f) It was not essential to include a provision in the statute to indicate the date on which the statute would enter into effect.

31. After reviewing the revised draft statute (A/C.5/L.1217), the Advisory Committee, through its Chairman, informed the Committee that it accepted the position of the Secretary-General outlined in points (b), (c) and (d) in the preceding paragraph.

#### C. Proposals and voting

32. At the 1692nd meeting, on 13 December, the representative of Portugal introduced a draft resolution (A/C.5/L.1215) sponsored by Afghanistan, the Netherlands, Portugal, Trinidad and Tobago and the Upper Volta. Subsequently, Austria and the Philippines joined as co-sponsors. The text of the draft resolution read as follows:

"The General Assembly,

"Recalling its resolution 3042 (XXVII) of 19 December 1972, by which it established, in principle, an International Civil Service Commission and laid down basic principles regarding its functions and composition and the method of appointment of its members,

"Noting that the aforementioned resolution provided for the participation of the organizations of the United Nations common system in the development of the statute of the Commission and the choice of its members,

"Taking into account the comments and recommendations of the Secretary-General contained in his reports of 20 September 1973 (A/9147 and Corr.1), 1 October 1974 (A/9738) and 22 October 1974 (A/9738/Add.1 and Corr.1) and the observations and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions of 30 November 1973 (A/9370) and 29 November 1974 (A/9891),

"1. Approves the statute of the International Civil Service Commission as set out in the annex to this resolution; 1/

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1/ The annex would include the draft statute contained in document A/9147, annex I, with the amendments suggested by the Advisory Committee in its report (A/9891). For the sake of brevity, it is not appended to this document.

"2. Endorses the administrative and budgetary arrangements proposed for 1975 by the Secretary-General (A/9738/Add.1), subject to the recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/9891);

"3. Requests the International Civil Service Commission to review, as a matter of priority, the United Nations salary system in accordance with the decision in paragraph 5 of resolution 3042 (XXVII) of 19 December 1972; and to submit an interim report on progress achieved to the General Assembly at its thirtieth session;

"4. Invites the organization members of the United Nations common system to participate in and contribute to the work of the Commission and requests the Secretary-General as head of the Administrative Committee on Co-ordination to report on relevant developments to the General Assembly at its thirtieth session."

33. At the same meeting, the representative of Algeria introduced an oral amendment to the revised draft statute (A/C.5/L.1217) that was to be annexed to the draft resolution mentioned above. The amendment was to revise article 22 to read "The seat of the Commission shall be New York, United States of America."

34. The representative of Algeria stated that the Commission could carry out its mandate more effectively, efficiently and economically in New York. If it were located in Geneva, the Commission and those of its members who had been nominated by the specialized agencies might be subjected to undue pressure and influence because of the large concentration of organizations and staff in Europe in general and in Geneva in particular. Other delegations concurred with that view.

35. Those delegations favouring Geneva as the seat of the Commission drew attention to the fact that the mandate of the Commission was to regulate and co-ordinate the conditions of service of the United Nations common system which included 12 organizations, 10 of which had their headquarters in Europe; in addition, the United Nations had a major office in Geneva which could service the Commission. This task could be more effectively carried out if the Commission had its seat near the largest number of organizations so that it might command a high degree of confidence from the specialized agencies and their staff. The argument that the independence of the Commission would be affected by its location should not be accepted. Finally, it was noted that all the budgetary estimates in the reports of the Secretary-General and the Advisory Committee had been based on the assumption that Geneva would be the seat of the Commission.

36. In response to questions raised as to how Geneva had been selected in the first place and on the budgetary implications of changing to New York, the Under-Secretary-General for Administration and Management drew attention to the fact that paragraphs 3 and 4 of General Assembly resolution 3042 (XXVII) which established the Commission in principle provided that the draft statute should be prepared by the Secretary-General and his colleagues in ACC. Therefore, as the draft statute, including the selection of Geneva as the seat of the Commission, was the collective recommendation of ACC, the Secretary-General would be untrue to his responsibilities as Chairman of ACC if he were to take any other position. As for

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the financial implications, the difference in costs were not large because the higher post adjustment costs in Geneva were almost offset by the larger rental costs in New York. On the basis of the Advisory Committee's recommendations, the costs of the Commission for 1975, if it were located in Geneva were estimated to total \$919,800. On the same assumptions, the Secretariat had estimated that the costs for New York would total \$905,900.

37. At its 1693rd meeting, the Committee adopted the amendment proposed by Algeria by 47 votes to 15, with 22 abstentions.

38. At the same meeting, the Committee decided without a vote to accept alternative 2 under article 7 of the revised draft statute (A/C.5/L.1217).

39. At the same meeting, the revised draft statute (A/C.5/L.1217) as amended was adopted by 85 votes to none, with 2 abstentions.

40. At its 1693rd meeting, the Committee adopted by consensus the draft resolution (A/C.5/L.1215) as orally revised by its sponsors 1/ (see para. 74 below, draft resolution I).

41. Prior to the vote on the draft resolution, the Under-Secretary-General for Administration and Management drew attention to the fact that operative paragraph 2 of the draft resolution, in endorsing the administrative and budgetary arrangements for 1975 put forward by the Advisory Committee, had the effect of limiting the staff of the Commission to the staff to be transferred from existing posts. This would inevitably lead to difficulties in getting the Commission started expeditiously and effectively. The existing staff in the posts to be transferred to the Commission secretariat were at present involved in the maintenance of the present salary system and not particularly geared to the new tasks of reviewing and revising the system. In addition, the Advisory Committee had recommended that the Commission's budget for the biennium 1976-1977 should be based on the initial staffing level. This suggested a no growth situation which might not bode well for the Commission's ability to meet the high expectations of all parties concerned.

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1/ The foot-note in operative paragraph 1 was deleted and, in operative paragraph 4, the words "organization" and "head" were replaced by the words "organizations" and "Chairman", respectively.

III. SALARIES AND ALLOWANCES OF STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

A. Documentation before the Committee

42. The Committee had before it the report of the International Civil Service Advisory Board (A/9630), the note by the Secretary-General containing his comments on that report (A/9709), and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/9919). In addition, the Committee received a note by the Secretary-General containing the text of a communication he had received from the Chairman of the Contracting Parties of the GATT on the subject of salaries and pensions (A/C.5/1652).

43. The report of ICSAB was submitted to the General Assembly in accordance with the Assembly's decision of 18 December 1973. In that decision the Assembly deferred consideration of the draft statute of the International Civil Service Commission, decided not to invoke the provisions of paragraph 2 of its resolution 2742 (XXV) of 17 December 1970 which precluded adjustments of the base salary scales for staff in the Professional and higher categories until completion of the comprehensive salary review, and requested ICSAB to submit to the Assembly at its twenty-ninth session as a matter of priority a report with recommendations concerning the salaries of staff in the Professional and higher categories and staff allowances of the United Nations common system, to be effective from 1 January 1975.

44. In interpreting its mandate, the Board concluded that it had not been called upon to re-examine in any way the structure or basic principles of the United Nations salary system, and that it had not been requested to undertake a policy study but specifically to put forward recommendations. Accordingly, the Board concluded that in so far as base salaries were concerned its task was essentially the same as the one it had exercised in 1970 when it based its salary proposals on an analysis, *inter alia*, of relative changes in real income. Thus, in its assessment of the base salaries of staff in the Professional and higher categories, the Board followed basically the same procedure as it had in 1970. As regards allowances, ICSAB accepted the suggestion of the organizations that it review only those allowances which represented major elements of pay, particularly those most significantly affected by inflation and currency changes.

45. On the basis of its review of the relevant data put before it by the organizations, the Board recommended that:

(a) As an interim measure designed to "restore a measure of equilibrium to a situation in flux", the net base salaries of Professional and higher categories should be increased by 6 per cent with effect from 1 January 1975;

(b) The children's allowance payable to staff in the Professional and higher categories should be increased from \$300 a year to \$450, with effect from 1 January 1975;

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(c) That no change be made in the amount of the spouse allowance which at present amounts to \$400 a year;

(d) That the rates of the assignment allowance for duty stations outside Europe and North America should be established as set out in paragraph 61 of its report. In the case of assignments in Europe and North America the present rates of the allowance should be retained;

(e) That no changes should be made in the maximum amount of the education grant or in the modalities of payment, pending review by the International Civil Service Commission.

46. On the request of ACC that the Board take into consideration the possibility of consolidating additional classes of post adjustment into the salary base, the Board felt that it did not have at hand all the elements for a firm recommendation as to whether two or three classes of post adjustment should be consolidated on 1 January 1975, and therefore limited its recommendation as an expression of its hope that further consideration could be given to the question. As regards the four-month waiting period for the application of changes in post adjustment, the Board urged the organizations to examine the desirability and feasibility of reducing this period.

47. Finally, in its comments on the status of proposals for the International Civil Service Commission, the Board emphasized the urgency with which it saw the need for an early establishment of a Commission so as to bring about as soon as possible the completion of the review of the salary system in order to avoid successive applications of stop-gap measures.

48. In his report, the Secretary-General stated that although he understood the reasons which prompted the Board to propose a more modest increase in basic salaries than had been proposed by ACC and to make no decision on the spouse allowance and education grant, he was disappointed that the Board did not find it possible to consider favourably the well-founded arguments put before it by the organizations in support of their proposals. Nevertheless, the Secretary-General stated that he and his colleagues in ACC were prepared to support the Board's proposals.

49. In pursuance of the views expressed by the Board on the consolidation of classes of post adjustment into the base salary scales and on the four-month waiting period for post adjustments, the Secretary-General recommended, on the basis of further consideration of these two items, that two classes of post adjustment be consolidated on 1 January 1975, and that the waiting period for post adjustments be reduced to three months.

50. The Secretary-General estimated the net additional cost of the proposals for the United Nations regular budget in 1975 as \$13.3 million gross, \$7.4 million net (after subtracting increased staff assessment income).

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51. In its report (A/9919), the Advisory Committee concurred with the recommendations of the Board in respect of the dependency allowances, the assignment allowance and the education grant. On the question of base salaries, the Advisory Committee agreed with the implicit view of the Board that the increase proposed by the Secretary-General and by FICSA would not, in present circumstances, be justified. At the same time it felt that whether or not the Board's recommendation was fully warranted was debatable. While accepting the Board's conclusion that it had not been called upon to re-examine the basic principles of the international salary system, the Advisory Committee felt that more emphasis might have been placed on the application of the Noblemaire principle which envisaged that salaries of international civil servants should be related to those of the best paid national civil service. In the annexes to its report, the Advisory Committee presented tables showing the relationship between United Nations net remuneration and that of the United States federal civil service. These tables showed that the United Nations net remuneration in New York exceeded that of the United States federal service in New York by much more than the 15 per cent (23 to 45 per cent) which the Special Committee for the Review of the United Nations Salary System, with four members dissenting, and ICSAB itself had considered adequate in their reports to the General Assembly in 1972. The Advisory Committee stated that no conclusive evidence had been produced to corroborate the suggestion made to the Committee that the United States civil service was no longer the highest paid national civil service. However, the Advisory Committee also pointed out, in paragraph 10 of its report, that the General Assembly had decided to transmit the report of the Salary Review Committee and the related comments of ICSAB to the International Civil Service Commission.

52. In reviewing the considerations which led the Board to make its recommendation, the Advisory Committee expressed some doubts about the use of the index of the movement in the salary rates for the national civil services at the seven headquarters countries, since no account had been taken of the absolute size of those salaries. Moreover, it questioned the time period used in arriving at the real income increase figure used by the Board as part of the case for the 6 per cent recommendation.

53. However, taking into consideration that the basic data available to it was susceptible to different interpretations, the Advisory Committee decided not to oppose the Board's recommendation. At the same time, the Advisory Committee felt that the doubts concerning the increase stressed the urgency of the need for the more comprehensive review of the structure of the United Nations salary system to be completed.

54. As regards the proposal of the Secretary-General to consolidate two classes of post adjustment into the base salary scales, the Advisory Committee noted that five classes of post adjustment had been consolidated on 1 January 1974 and concluded that, pending the completion of the review of the whole salary structure, any further consolidation of post adjustment might, by reducing the degree of flexibility, impede the implementation of any new salary structure which emerged from the comprehensive review. It also indicated its disappointment that the World Health Organization had not as yet accepted the recommendation made by the General Assembly at its twenty-eighth session that it discontinue its practice of not applying negative post adjustments. For these reasons, the Advisory Committee stated that it could not endorse the consolidation proposal.

55. The Advisory Committee also stated that it could not endorse the Secretary-General's proposal that the waiting period for the application of post adjustment be reduced from four months to three. It was of the view that the protection against the effects of rising prices (the waiting period did not apply in cases of currency realignment) afforded to United Nations staff by the post adjustment system was already better than that provided by the salary systems of most national civil services.

56. Finally, the Advisory Committee stated that the financial implications of adopting the ICSAB proposals (which did not include the consolidation of two classes of post adjustment into the base salary scales) would be \$6.2 million net (after offsetting increased staff assessment income). The cost to the United Nations system as a whole would amount to \$16.2 million for the regular budgets and \$9.8 million for programmes financed from voluntary contributions, i.e. a total of \$26 million.

#### B. Discussion

57. Although delegations commented on all the proposals before them, the discussion covered in the main the approach used by ICSAB to determine whether the base salaries of staff in the Professional and higher categories should be adjusted and the salary data contained in the reports before the Committee.

58. Several delegations expressed agreement with the Advisory Committee that ICSAB should have placed more emphasis on the Noblemaire Principle under which United Nations remuneration was to be related to that of the highest paid national civil service, which at present was the United States civil service. They pointed out that the amounts by which United Nations net remuneration exceeded that of the United States civil service at the traditional matching grades had been steadily increasing over the years, and that with the addition of a 6 per cent increase on 1 January 1975, the differential in pay between the two services would exceed that which applied on 1 July 1971 and would be far in excess of the 15 per cent differential which the Special Committee for the Review of the United Nations Salary System as well as ICSAB itself had considered to be adequate in its report to the General Assembly in 1972.

59. Some delegations also felt the real income loss approach was not justified because the post adjustment system afforded United Nations staff a higher measure of protection against inflation than was the case in the salary systems of most national civil services. One delegation was of the view that the level of salaries established in 1971 had been too high.

60. Other delegations stated that the approach followed by the Board was largely determined by its mandate. They recalled that increasing disagreement over the application of the Noblemaire Principle had been one of the primary reasons for the establishment of the 1971 Special Committee. The recommendations of that Committee had been referred to the International Civil Service Commission for further consideration. Since it was for the Commission to complete the examination of the structure and principles of the salary system, ICSAB could have done no more than assess the extent to which the real value of United Nations salaries had eroded since 1 July 1971.

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61. Some delegations felt that the United Nations/United States salary comparisons contained in the annex of the Advisory Committee's report raised a number of questions regarding matching grades, choice of comparison dates, the nature of the two services, and the exclusion of housing payments and other emoluments, which could only be resolved as part of a comprehensive review. It was felt that the staff should not be penalized for the failure of Member States to reach agreement on the salary question after it had reviewed the report of the last Salary Review Committee, and for the delays in bringing the International Civil Service Commission into operation.

62. Several delegations indicated that they were prepared to accept a salary increase of 3 to 4 per cent on the basis of the real income loss due to the compensation shortfall inherent in the post adjustment system, but could not accept the additional 3 per cent arrived at by using the index of the movement of salaries of the national civil services of the seven headquarters countries. In their view the use of the latter was highly questionable for the reasons set out by the Advisory Committee in its report. *addition*

63. Several delegations stated that the salary increase proposal should be viewed in the context of the financial difficulties of the organization and of the austerity measures being introduced at the national levels to deal with serious economic problems. It was also felt that the morale problems often cited in appeals for support of the increase were due more to the absence of an effective management policy and the misuse of staff.

64. Many delegations spoke of their concern and disquiet that the data in the various reports were not entirely convincing and subject to different interpretations. However, they felt a good case had not been made for any alternative proposal. In order to give the Commission the time it needs to complete a thorough examination of the whole question, they favoured adopting the interim increase proposed by the Board. One delegation cautioned that it would be unwise to substitute an arbitrary and perhaps politically inspired judgement for the position taken by ICSAB and the Advisory Committee on Administrative and Budgetary Questions.

65. In his statement to the Committee at its 1689th meeting, the Secretary-General expressed the hope that the vital interests of the organizations and the staff in the United Nations common system would be kept in mind and that the salary question would not be decided in the context of immediate United Nations budgetary problems. He observed that the proposals before the Committee were modest and had been largely supported by the Advisory Committee. They had been arrived at after a careful review and assessment of many aspects of the system by 11 eminent experts coming from all the important regions of the world. For those reasons, he stated that it would be wise to accept the judgement of the experts to whom the Assembly had entrusted the difficult task.

66. As regards the allowances, most delegations spoke in favour of the recommendations of ICSAB. Several delegations felt that no changes should be made pending a review by the Commission.

67. There was a consensus in favour of the position of the Advisory Committee that there should be no further consolidation of classes of post adjustment into the base salary scale and no change in the four-month rule in respect of post adjustment changes.

68. A fuller account of the discussion can be found in the summary records of the 1688th to 1693rd meetings of the Fifth Committee.

### C. Proposals and voting

69. At the 1691st meeting, on 12 December, the representative of Algeria, on behalf of Algeria, Guyana, the United Republic of Tanzania and Yugoslavia, introduced a draft resolution which was circulated as a document on the following day (A/C.5/L.1216). The text of the draft resolution is identical with that of draft resolution II A contained in paragraph 74 below.

70. A number of delegations spoke in favour of the draft resolution while others voiced opposition to the draft resolution as a whole or to parts of it. The arguments in favour and against the proposals to adjust the base salaries and selected allowances of staff in the Professional and higher categories were essentially those given under section B.

71. At the 1693rd meeting, on 13 December, at the request of the representative of France, separate votes were taken on the three subparagraphs of the operative paragraph of the draft resolution as follows:

- (a) Subparagraph (a) was adopted by 50 votes to 21, with 14 abstentions;
- (b) Subparagraph (b) was adopted by 67 votes to 10, with 7 abstentions;
- (c) Subparagraph (c) was adopted by 67 votes to 9, with 9 abstentions.

72. At the same meeting, the draft resolution (A/C.5/L.1216) was adopted by a roll-call vote of 54 to 21, with 12 abstentions (see para. 74 below, draft resolution II A). The voting was as follows:

In favour: Algeria, Argentina, Australia, Austria, Bahrain, Brazil, Canada, Chile, Dahomey, Democratic Yemen, Denmark, Finland, Germany (Federal Republic of), Greece, Guyana, India, Indonesia, Iran, Ireland, Jamaica, Japan, Kenya, Khmer Republic, Kuwait, Lesotho, Liberia, Libyan Arab Republic, Malaysia, Mali, Morocco, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Senegal, Singapore, Spain, Sri Lanka, Sudan, Sweden, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Yugoslavia, Zaire.

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Against: Afghanistan, Bangladesh, Barbados, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Dominican Republic, Ecuador, France, German Democratic Republic, Israel, Italy, Malawi, Mongolia, Nicaragua, Poland, Portugal, Romania, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

Abstaining: Albania, Bhutan, China, Colombia, Cuba, Egypt, Ghana, Guatemala, Ivory Coast, Mexico, Sierra Leone, Upper Volta.

73. The Under-Secretary-General for Administration and Management informed the Committee that a draft resolution amending the appropriate provisions of the Staff Regulations would be included in the report (see para. 74 below, draft resolution II B).

IV. RECOMMENDATIONS OF THE FIFTH COMMITTEE

74. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

International Civil Service Commission

The General Assembly,

Recalling its resolution 3042 (XXVII) of 19 December 1972, by which it established, in principle, an International Civil Service Commission and laid down basic principles regarding its functions and composition and the method of appointment of its members,

Noting that the aforementioned resolution provided for the participation of the organizations of the United Nations common system in the development of the statute of the Commission and the choice of its members,

Taking into account the comments and recommendations of the Secretary-General contained in his reports of 20 September 1973, 2/ 1 October 1974, 3/ and 22 October 1974 4/ and the observations and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions of 30 November 1973 5/ and 29 November 1974, 6/

1. Approves the statute of the International Civil Service Commission as set out in the annex to the present resolution;

2. Endorses the administrative and budgetary arrangements proposed for 1975 by the Secretary-General, 7/ subject to the recommendations of the Advisory Committee on Administrative and Budgetary Questions; 8/

3. Requests the International Civil Service Commission to review, as a matter of priority, the United Nations salary system in accordance with the decision in paragraph 5 of resolution 3042 (XXVII) of 19 December 1972, and to submit a progress report to the General Assembly at its thirtieth session;

4. Invites the organizations members of the United Nations common system to participate in and contribute to the work of the International Civil Service Commission and requests the Secretary-General as Chairman of the Administrative Committee on Co-ordination to report on relevant developments to the General Assembly at its thirtieth session.

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2/ A/9147 and Corr.1.

3/ A/9738.

4/ A/9738/Add.1 and Corr.1.

5/ A/9370.

6/ A/9891.

7/ A/9738/Add.1.

8/ A/9891.

ANNEX

Statute of the International Civil Service Commission

CHAPTER I

ESTABLISHMENT

Article 1

(a) The General Assembly of the United Nations establishes, in accordance with the present statute, an International Civil Service Commission, hereinafter referred to as the Commission, for the regulation and co-ordination of the conditions of service of the United Nations common system.

(b) 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 (hereinafter referred to as the organizations).

(c) Acceptance of the statute by such an agency or organization shall be notified in writing by its executive head to the Secretary-General.

CHAPTER II

COMPOSITION AND APPOINTMENT

Article 2

The Commission shall consist of ~~15~~ <sup>14</sup> members appointed by the General Assembly, of whom two, who shall be designated Chairman and Vice-Chairman respectively, shall serve full-time.

Article 3

(a) The members of the Commission shall be appointed in their personal capacity as individuals of recognized competence who have had substantial experience of executive responsibility in public administration or related fields, particularly in personnel management.

(b) The members of the Commission, no two of whom shall be nationals of the same State, shall be selected with due regard for equitable geographical distribution.

Article 4

(a) After appropriate consultations with Member States, 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

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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.

(b) 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.

*other than the Chairman and vice-Chairman who shall serve for four years Article 5 and 2 years respectively*

(a) The members of the Commission shall be appointed by the General Assembly of the United Nations for a term of four years and may be reappointed. Of the members initially appointed, however, the terms of four members shall expire at the end of three years, and the terms of four other members at the end of two years.

(b) A member appointed to replace a member whose term of office has not expired shall hold office for the remainder of his or her predecessor's term.

(c) A member of the Commission may resign on giving three months' notice to the Secretary-General.

#### Article 6

(a) The Commission shall be responsible as a body to the General Assembly. Its members shall perform their functions in full independence and with impartiality; they shall not seek or receive instructions from any Government, or from any secretariat or staff association, of an organization in the United Nations common system.

(b) No member of the Commission may participate in the deliberations of any organ of the organizations on any matter within the competence of the Commission unless the Commission has requested him or her to do so as its representative. Nor shall a member of the Commission serve as an official or consultant of any such organization during his or her term of office or within three years of ceasing to be a member of the Commission.

#### Article 7

(a) No appointment of a member of the Commission can be terminated unless, in the unanimous opinion of the other members, he or she has ceased to discharge the duties in a manner consistent with the provisions of the present statute.

(b) Notification thereof to the Secretary-General by the Commission shall make the place vacant.

#### Article 8

(a) The Chairman shall direct the work of the Commission and its staff.

(b) If the Chairman is unable to act, the Vice-Chairman shall act as Chairman.

(c) For the purposes of the Convention on the Privileges and Immunities of the United Nations, the Chairman and the Vice-Chairman of the Commission shall have the status of officials of the United Nations.

### CHAPTER III

#### FUNCTIONS AND POWERS

##### Article 9

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.

##### Article 10

The Commission shall make recommendations to the General Assembly of the United Nations 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; 9/

(d) Staff assessment.

##### Article 11

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 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.

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9/ Dependency allowances and language incentives for staff in the Professional and higher categories, education grant, home leave, repatriation grant and termination indemnity.

Article 12

(a) At the headquarters duty stations and such other duty stations as may from time to time be added at the request of the Administrative Committee on Co-ordination, 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.

(b) Notwithstanding the provisions of paragraph (a) above, the executive head or heads concerned, after consultation with the staff representatives, may request the Commission to determine the salary scales at a particular duty station instead of making a recommendation. The salary scales so determined shall apply to all staff in the same category at the duty station.

(c) In exercising its functions under paragraphs (a) and (b) above, the Commission shall, in accordance with article 29, consult executive heads and staff representatives.

(d) The Commission shall determine the date or dates on which it can assume the functions set out in this article.

Article 13

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.

Article 14

The Commission shall make recommendations to the organizations on:

- (a) Standards of recruitment;
- (b) The development of recruitment sources, including the establishment of central rosters of qualified candidates, particularly at junior entrance levels;
- (c) The organization of competitive examinations or alternative selection procedures;
- (d) Career development, staff training programmes, including interorganization programmes, and evaluation of staff.

Article 15

The Commission shall make recommendations to the organizations on the development of common staff regulations.

Article 16

The Commission may, after appropriate consultations, make such recommendations to the organizations on other matters as it may consider necessary to achieve the purposes of the present statute.

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Article 17

The Commission shall submit an annual report to the General Assembly, including information on the implementation of its decisions and recommendations. The report shall be transmitted to the governing organs of the other organizations, through their executive heads, and to staff representatives..

Article 18

The Commission shall establish policies and shall formulate guidelines with respect to all matters for which it has responsibility under this statute. In particular, it shall formulate recommendations under article 10 concerning the system of salaries and allowances and conditions of service; adopt the annual report under article 17; propose its budget estimates under article 22; and adopt its rules of procedure under article 30.

Within the aforesaid policies and guidelines, the Commission may delegate to its Chairman, Vice-Chairman or to any other member or members, responsibility for carrying out specific functions under the statute other than those enumerated above. The Chairman, Vice-Chairman or the member or members concerned shall be responsible to the Commission for the discharge of the functions delegated to them and shall report to the Commission thereon.

CHAPTER IV

ADMINISTRATIVE, BUDGETARY AND FINANCIAL ARRANGEMENTS

Article 19

(a) The conditions of service of the Chairman and the Vice-Chairman of the Commission shall be determined by the General Assembly.

(b) Other members of the Commission shall be entitled only to travel and subsistence expenses in accordance with the rules established by the General Assembly for members of organs and subsidiary organs of the United Nations serving in their individual capacity.

Article 20

(a) The Commission shall have a staff as provided in the budget approved by the General Assembly.

(b) 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.

(c) Subject to paragraph (b) of the present article, 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.

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(d) Within the relevant budgetary provisions, the Commission may employ such experts and auxiliary staff as it may deem necessary.

Article 21

(a) The Secretary-General shall provide such office and conference facilities as the Commission may require.

(b) The budget of the Commission shall be included in the regular budget of the United Nations. The budget estimates shall be established by the Secretary-General, after consultation with the Administrative Committee on Co-ordination, on the basis of proposals by the Commission.

(c) The expenditure on the Commission shall be shared by the organizations in a manner to be agreed by them.

Article 22

The seat of the Commission shall be New York, United States of America

CHAPTER V

PROCEDURE

Article 23

(a) The Commission shall meet at least once every year.

(b) The meetings of the Commission shall be held in private.

Article 24

(a) Recommendations of the Commission under article 10 shall be communicated by the Secretary-General to the executive heads of the other organizations.

(b) The decisions taken thereon by the General Assembly shall be communicated by the Secretary-General to the executive heads of the other organizations for action under their constitutional procedures.

(c) The executive head of each organization shall inform the Commission of all relevant decisions taken by the governing organ of his organization.

(d) The recommendations under paragraph (a) above shall be communicated to staff representatives.

Article 25

(a) Decisions of the Commission shall be promulgated under the signature of the Chairman and transmitted to the executive heads of the organizations

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concerned. If they affect the interests of the staff, they shall also be transmitted to staff representatives.

(b) The organization concerned shall be notified of the principal reasons for each decision.

(c) The decisions shall be applied by each organization concerned with effect from a date to be determined by the Commission.

#### Article 26

The Commission, in making its decisions and recommendations, and the executive heads, in applying them, shall do so without prejudice to the acquired rights of the staff under the staff regulations of the organizations concerned.

#### Article 27

The Commission may, with the approval of the General Assembly, establish subsidiary bodies for the purpose of carrying out particular tasks within its competence. The Commission may make arrangements with one or more of the organizations whereby they will carry out, on its behalf, functions of fact-finding and analysis.

#### Article 28

(a) The Commission shall be given such information as it may require from the organizations for the consideration of any matter under examination by it. It may request from any organization or from staff representatives written information, estimates or suggestions in regard to such matters.

(b) Executive heads of the organizations and staff representatives shall have the right, collectively or separately, to present facts and views on any matter within the competence of the Commission. The manner in which this right shall be exercised shall be set out, after consultations with executive heads and staff representatives, in the rules of procedure established under article 30.

#### Article 29

Subject to the provisions of the present statute, the Commission shall establish its rules of procedure.

### CHAPTER VI

#### OTHER PROVISIONS

#### Article 30

The present statute may be amended by the General Assembly. Amendments shall be subject to the same acceptance procedure as the present statute.

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Article 31

(a) An organization may not withdraw its acceptance of the statute unless it has given to the Secretary-General of the United Nations two years' notice of its intention to do so. . ,

(b) The Secretary-General shall bring any such notice to the attention of the General Assembly and, through the executive heads concerned, to that of the legislative organs of the other participating organizations.

DRAFT RESOLUTION II

Salaries and allowances of staff in the Professional  
and higher categories

A

The General Assembly,

Having considered the report of the International Civil Service Advisory Board, 10/ and the report of the Secretary-General, 11/ together with the report of the Advisory Committee on Administrative and Budgetary Questions, 12/

Decides that, with effect from 1 January 1975;

(a) The net base salaries of Professional and higher categories shall be increased by 6 per cent;

(b) The dependency allowance in respect of a child payable to staff in the Professional and higher categories shall be increased from \$300 to \$450 a year;

(c) The rates of assignment allowance shall be revised as recommended by the International Civil Service Advisory Board in paragraph 61 of its report.

B

The General Assembly,

Decides that, with effect from 1 January 1975:

(a) Paragraphs 1, 3 and 9 of annex I to the Staff Regulations of the United Nations and regulation 3.4 of the Staff Regulations shall be amended as shown in the annex to the present resolution;

(b) The amounts of post adjustment for each 5 per cent variation in the cost of living above or below the new base level shall, at all the main headquarters areas and normally at all other offices, be those specified in the addendum to the report of the Secretary-General. 13/

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10/ A/9630.

11/ A/9709.

12/ A/9919.

13/ A/9709/Add.1.

ANNEX

Amendments to the Staff Regulations of the United Nations

"Annex I

"Salary scales and related provisions

"1. The Administrator of the United Nations Development Programme, having a status equivalent to that of the executive head of a major specialized agency, shall receive a salary of \$US 74,800 per year, an Under-Secretary-General shall receive a salary of \$US 59,250 per year and an Assistant Secretary-General shall receive a salary of \$US 53,250 per year, subject to the staff assessment plan provided in staff regulation 3.3 and to post adjustments wherever applied. If otherwise eligible, they shall receive the allowances which are available to staff members generally."

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

"(In US dollars)

"Director and Principal Office category

"Director . . . . . \$42,060 by increments of  
\$1,210 to \$45,690

"Principal Officer . . . . . \$35,000 by increments of  
\$1,140 to \$41,840

"Professional category

"Senior Officer . . . . . \$30,540 by increments of  
\$870 to \$38,370

"First Officer . . . . . \$24,220 by increments of  
\$770 to \$32,690

"Second Officer . . . . . \$19,670 by increments of  
\$650 to \$27,470

"Associate Officer . . . . . \$15,750 by increments of  
\$550 to \$21,250

"Assistant Officer . . . . . \$12,020 by increments of  
\$490 to \$16,430"

Article III

Salaries and related allowances

Regulation 3.4(a)(i)

Substitute "\$450" for "\$300".

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