

**REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION
FOR THE YEAR 1988**

GENERAL ASSEMBLY

OFFICIAL RECORDS: FORTY-THIRD SESSION

SUPPLEMENT No. 30 (A/43/30)



UNITED NATIONS

New York, 1988

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	Advisory Committee on Co-ordination
ACPAQ	Advisory Committee on Post Adjustment Questions
BLS	United States Bureau of Labor Statistics
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System
CPI	Consumer price index
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSAB	International Civil Service Advisory Board
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMO	International Maritime Organization
OECD	Organisation for Economic Co-operation and Development
PAI	Post adjustment index
RCF	Remuneration correction factor
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
WIPO	World Intellectual Property Organization

LETTER OF TRANSMITTAL

19 August 1988

Sir,

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

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

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

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

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

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

Paragraph
reference

- A. Financial implications of the Commission's decisions on matters relating to post adjustment and the overall review of the post adjustment system
- 33 (b) The financial implications of the Commission's decision concerning revisions to the methodology for place-to-place cost-of-living surveys at field duty stations are estimated at \$600,000 per annum.
- 86 (b) The financial implications of the Commission's decision concerning the reimbursement of costs of medical examinations for eligible dependents are estimated at \$275,000 per annum.
- B. Financial implications of the Commission's recommendations to the General Assembly
- (a) Education grant
- 77 The financial implications of the Commission's recommendations for the increase in the maximum amount of the education grant and the increase in the maximum reimbursement of boarding costs are estimated at \$3 million and \$1.6 million per annum, respectively.
- (b) Dependency allowances
- 83 The financial implications of the Commission's recommendations regarding children's and secondary dependant's allowances for the Professional and higher categories are estimated at \$8.17 million and \$120,000 per annum, respectively.
- C. Financial implications of the Commission's recommendations to the executive heads of the organizations of the United Nations common system
- (a) Survey of best prevailing conditions of service for language teachers in New York
- 72 The financial implications of the Commission's recommendations to the Secretary-General are estimated at \$60,000 per annum.

**Paragrap^h
reference**

- (b) Survey of best prevailing conditions of service in Montreal

73

The financial implications of the Commission's recommendations to the Secretary-General of the International Civil Aviation Organization are estimated at \$300,000 per annum.

The total financial implications of the Commission's decisions and recommendations in 1988 for the United Nations common system are approximately \$14.125 million. Of these, some \$7.433 million relate to programmes financed through regular budgets while the remaining \$6.692 million relate to programmes financed through voluntary contributions.

PART ONE
SUMMARY OF THE ISSUES CONSIDERED AND RECOMMENDATIONS
AND DECISIONS OF THE COMMISSION

CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptance of the statute

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

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

2. During the first six years of the Commission's existence, its statute was accepted by 11 of the organizations, which, together with the United Nations itself, participated in the United Nations common system of salaries and allowances. 1/ The United Nations Industrial Development Organization (UNIDO), which became a specialized agency with effect from 1 January 1986, informed the Commission that it had also accepted the Commission's statute. Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

B. Membership

3. The Commission learned with deep regret of the death, on 1 September 1987, of Mr. Genichi Akatani (Japan). In September 1987, Mr. Michel Auchère (France) submitted his resignation from the Commission, which, in accordance with article 5 of the Commission's statute, took effect in December 1987.

4. Consequently, the General Assembly, at its forty-second session, appointed two new members of the Commission to terms of office commencing 1 January 1988 (decision 42/317 of 11 December 1987).

5. The membership of the Commission for 1988 is as follows:

Mr. Richard M. Akwei (Ghana),*** Chairman
Mr. Ivan Pavlovich Aboimov (Union of Soviet Socialist Republics)*
Mr. Amjad Ali (Pakistan)*
Mr. Michel Jean Bardoux (France)**
Mrs. Claudia Cooley (United States of America)**
Mrs. Turkia Daddah (Mauritania)***
Mrs. Francesca Yetunde Emanuel (Nigeria)*
Mr. Karel Houska (Czechoslovakia)***
Mr. Antônio Fonseca Pimentel (Brazil)**
Mr. André Xavier Pirson (Belgium)***
Mr. Omar Sirry (Egypt)*
Mr. Alexis Stephanou (Greece)**

Mr. Ku Tashiro (Japan)**
Mr. Carlos S. Vegega (Argentina),*** Vice-Chairman
Mr. M. A. Vellodi (India)*

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- * Term of office expires on 31 December 1988.
 - ** Term of office expires on 31 December 1989.
 - *** Term of office expires on 31 December 1990.

C. Sessions held by the Commission and questions examined

6. The Commission held two sessions in 1988: the twenty-seventh and twenty-eighth, which were held at the headquarters of the Food and Agriculture Organization of the United Nations (FAO) in Rome from 7 to 24 March 1988 and at United Nations Headquarters in New York from 11 to 29 July 1988, respectively.

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

D. Subsidiary body

8. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976, held its thirteenth session at the headquarters of the International Civil Aviation Organization (ICAO) at Montreal, from 10 to 17 May 1988. It consisted of the following members: Mr. Carlos S. Vegega (Argentina), Vice-Chairman of the Commission and Chairman of the Committee; Mr. Jeremiah P. Banda (Zambia); Mr. Saw Swee Hock (Singapore); Mr. Yuri Ivanov (Union of Soviet Socialist Republics); Mr. Isaac Kerstenetsky (Brazil); and Mr. Hugues Picard (France).

CHAPTER II

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

Functioning of the International Civil Service Commission and relations between the Commission and staff representatives

9. At its twenty-seventh and twenty-eighth sessions, the Commission considered the issue of its functioning in accordance with the request of the General Assembly in its resolution 42/221 of 21 December 1987. Following consideration of the various points raised in the Fifth Committee of the Assembly regarding its functioning, the Commission, at its twenty-seventh session, decided to shorten its annual report and improve its format starting in 1988. The Commission agreed to consider the other issues raised in the Fifth Committee at a future session.

10. At its twenty-eighth session, the Commission decided to adopt the following format for its annual report:

Part one

- I. Organizational matters.
- II. For each agenda item on which the Commission normally reports in detail, the following shall be reported.
 - A. Brief outline of the issue and existing practice, reasons for the proposed change, a short analysis and possible options or solutions.
 - B. The Commission's recommendation or decisions, including financial implications.

Part two

For each of the agenda items:

- I. Views of the organizations.
- II. Views of the staff representatives.
- III. Discussion of the Commission.
- IV. Examples, as appropriate, of the effects of the change proposed/approved.

Annexes to the report.

11. The Federation of International Civil Servants' Associations (FICSA) and the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) had informed the Commission in May 1988 that they had decided to suspend participation in all activities of the Commission, particularly after the decision taken at its March 1988 session regarding the lifting of the freeze on the post adjustment in New York. They alleged that by submitting to political pressure, the Commission had abdicated its responsibility as a technical

and impartial body with the consequence that staff welfare and the objectives of the organizations could no longer be conciliated. They demanded that conditions of employment in the common system should no longer be determined unilaterally but that they be the subject of genuine negotiations between representatives of the staff and the employers.

12. The Commission considered these allegations unfounded and, therefore, unacceptable. It noted that on the basis of its statute the Commission could continue to function without the participation of the staff representatives. However, the Commission as well as the organizations deemed it extremely important that the staff representatives participate in the work of ICSC and expressed their regrets over the absence of the staff. The Commission concluded that the question of negotiations raised by FICSA and CCISUA needed further clarification and was also outside the scope of its statute. The Commission noted that participation by the staff representatives at the twenty-eighth session was not anticipated and requested its Chairman to send a cable to FICSA and CCISUA expressing its regrets and conveying the sincere hope that the staff bodies would find it possible to participate in the meetings of the Commission in the future.

13. At its twenty-eighth session, the Commission reviewed its working methods. It noted that a number of problems interfered with its effective and efficient functioning, including restricted opportunities to become fully informed about complex issues prior to sessions and crowded agendas that limited the time available for thorough consideration and discussion of important matters. It also noted criticisms expressed at that and previous sessions by representatives of the organizations and the staff that there was an imbalance between the time spent in open and executive sessions. Since an important part of the debate took place in executive sessions they felt that they were not sufficiently informed of the reasons for the Commission's decisions. Also, since some decisions taken by the Commission were communicated to them at a very late stage during sessions, they believed that their views on these decisions could not adequately be taken into account.

Decisions of the Commission

14. The Commission agreed to arrange its work programme in such a way as to take up during the first week priority items on which its decisions or recommendations to the General Assembly were required. The Commission further decided:

(a) To arrange informal pre-session briefings for members of the Commission, as appropriate;

(b) To conduct the fullest possible discussions in the open sessions and conclude the consideration of priority items in executive session as soon as possible, preferably in the first week;

(c) To request its secretariat to produce draft decisions as soon as possible upon the conclusion of each item;

(d) To make these draft decisions available to members of the Commission, the Consultative Committee on Administrative Questions (CCAQ) and the staff representatives simultaneously at the earliest possible time, on the understanding that in exceptional cases they might be distributed first to the members of the Commission for clearance;

(e) To request CCAQ and the staff representatives to present their comments on the draft decisions in writing;

(f) To consider whether, on an exceptional basis, certain items should be discussed further in open session in the light of comments made by CCAQ and the staff representatives.

CHAPTER III

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Remuneration of the Professional and higher categories

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

Outline of the issue (twenty-seventh session of the Commission)

15. The Commission, under its standing mandate from the General Assembly, continued to keep under review the relationship between the levels of net remuneration of the United Nations and the United States federal civil service. The Commission reviewed in detail the question of the lifting of the post adjustment freeze in New York. In that connection it considered the impact of a decision it had taken at its July 1987 session on the introduction, with effect from 1 September 1987, of a revised methodology for the calculation of the out-of-area price progression factor in post adjustment. That decision, reported to the General Assembly at its forty-second session, was intended to abate the effects of currency fluctuations on take-home pay.

16. It was not, however, foreseen that this revised methodology would also impact on the cost-of-living differential between New York and Washington, D.C., and thus affect the margin calculation. This change in the methodology, furthermore, directly affected the date of implementation of class 8 of post adjustment in New York, which would have become due on 1 February 1988 as compared to a 1 June 1988 effective date under the previous methodology. Bearing in mind that the General Assembly, by its resolution 42/221, requested the Commission to maintain the methodology for the calculation of the net remuneration margin as described in annex I to the eleventh annual report of ICSC, ³/ the Commission decided that the previous methodology for the calculation of the out-of-area price progression factor should continue to apply for New York and Washington, D.C.

Decisions of the Commission at its twenty-seventh session

17. The Commission unanimously decided that:

(a) The post adjustment index (PAI) for New York should be updated from October 1982, the date of the last comprehensive survey, using the consumer price index (CPI) published by the United States Bureau of Labor Statistics (BLS) to adjust the in-area expenditures and the old out-of-area price progression factor using the calculation methodology in effect until 31 August 1987 to adjust out-of-area expenditures;

(b) The PAI for Washington, D.C. should be updated from November 1982, the date of the last comprehensive survey, using the BLS CPI and the out-of-area price progression factor referred to in subparagraph (a) above;

(c) The PAIs calculated in accordance with subparagraphs (a) and (b) above should be used for the determination of post adjustment classifications for

New York and Washington, D.C., respectively, and for the calculation of the net remuneration margin;

(d) The revised out-of-area price progression factor introduced by the Commission as from 1 September 1987 should continue to be used for the calculation of PAIs for all other duty stations until 31 August 1988.

Outline of the issue (twenty-eighth session of the Commission)

18. At its July 1988 session, the Commission noted that, on the basis of its decisions at the March 1988 session, post adjustment class 8 had become applicable in New York effective 1 June 1988. It further noted that, based on this change in the post adjustment classification for New York, the net remuneration margin for the period from 1 October 1987 to 30 September 1988 was 112.9. Details of the margin calculations are provided in annex I to the present report.

19. The Commission recalled that, on its recommendation, the General Assembly, by its resolution 40/244 of 18 December 1985, had approved a margin range of 110 to 120, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time. When the Assembly approved the margin range, the net remuneration margin stood at 121.

20. The margin was brought to its current level, i.e., 112.9 for the current margin period, by not implementing on four separate occasions (in April and December 1985, December 1986 and October 1987) post adjustment classes due in New York since December 1984. On each of these four occasions the PAI for New York was scaled back to correspond to the post adjustment classification in effect. In order to equalize purchasing power between New York and other duty stations, PAIs for other duty stations were also scaled back as of the same date and to the same extent. In view of the above, the PAI currently being used for the determination of the post adjustment classification for New York was approximately 17 per cent lower than the PAI derived from the evolution of the cost of living in New York.

21. The Commission decided that through the continued application of the above-mentioned procedures it would henceforth maintain the margin around the desirable mid-point of 115, as requested by the General Assembly. To that end, the Commission would continuously monitor the following four factors which had an impact on the net remuneration margin:

- (a) Size and timing of increases in United States federal civil service salaries;
- (b) Inflation in New York and its impact on the New York PAI;
- (c) United States federal income taxes;
- (d) Cost-of-living differential between New York and Washington, D.C.

Decision of the Commission at its twenty-eighth session

22. The Commission, at its July 1988 session, agreed that, based on the evolution of the above four factors under the normal functioning of the post adjustment system, it would decide on the date of the PAIs for New York in such a way as to ensure that the resulting margin remained around 115.

23. In this regard, the Commission recalled that it had already delegated the responsibility for the operation of the post adjustment system to its Chairman. However, with specific reference to operating the post adjustment for New York to achieve the above objective, the Commission decided on the following guidelines to be followed by the Chairman:

(a) Post adjustment increases in New York for a given year should normally take effect on or after the date of the increase in United States federal civil service salaries;

(b) Post adjustment increases in New York should normally take place either on the date of the increase in United States federal civil service salaries or on the date when the revised post adjustment class became due in New York as part of the normal operation of the post adjustment system, it being understood that in either case the resulting margin would remain between 114 and 116;

(c) As a result of the implementation of an increase in New York on one of the dates mentioned in subparagraph (b) above, if the resulting margin was lower than 114 or higher than 116, an alternative implementation date for a post adjustment increase in New York would be selected so as to ensure that the resulting margin would be as close to 115 as possible.

24. The Commission will report on its continuous monitoring of all factors relating to the net remuneration margin and the resulting level of the margin to the General Assembly each year.

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

25. In accordance with its earlier decision to report to the General Assembly on an annual basis the results of comparisons of non-expatriate total compensation, the Commission reviewed the level of the total compensation margin at its twenty-eighth session.

Decision of the Commission

26. The Commission noted that, based on the total compensation methodology in use since 1981, the non-expatriate total compensation margin stood at 111.7 as of June 1988. It decided to report that figure to the General Assembly.

3. Identification of the highest-paid national civil service

27. As part of its continuing responsibilities for the determination of the highest-paid national civil service in application of the Noblemaire principle, the Commission, at its twenty-seventh session, decided to collect data on salaries and pensions from the national civil services of Canada and the Federal Republic of Germany. It further decided to limit the scope of the study until such time as the examination of the initial data collected provided an indication of a potentially better comparator than the current one.

28. Based on grade equivalencies for the Federal Republic of Germany, established at the time of the comparator country study conducted in 1981, and a current study of a preliminary nature on grade equivalencies for the Canadian civil service, the Commission examined the details of the level of net remuneration for both civil services at its twenty-eighth session. Pensions were also examined, although primarily on the basis of key provisions of the relevant schemes.

Decision of the Commission

29. The Commission decided not to take any action on the basis of its preliminary study, but rather to consider this issue in the context of its comprehensive review of the conditions of service of the Professional and higher categories requested by the General Assembly.

4. Supplementary payments

30. At its twenty-seventh session, the Commission considered the issue of supplementary payments to and deductions from the remuneration of common system staff by certain member States, based on updated information from Member States and organizations. A summary of the information received as of July 1988 is provided in annexes II and III to the present report.

Decisions of the Commission

31. Recalling that the General Assembly, in its resolution 42/221, had requested Member States and common system organizations to provide ICSC with the information required for its examination of this issue, the Commission decided:

(a) To express its regret over the insufficient response from Member States and common system organizations and to request its secretariat to continue to collect the necessary data, analyse them and submit its conclusions to the Commission on a regular basis;

(b) To reiterate its request to Member States and organizations to provide full information on the subject of supplementary payments and deductions;

(c) To note that supplementary payments and deductions by Member States contravened the staff regulations of the organizations;

(d) To draw the General Assembly's attention to the Commission's finding that the practice of supplementary payments was on the rise and to request it to take appropriate action in order to discourage supplementary payments and deductions;

(e) To include the issue of supplementary payments in the comprehensive review of the conditions of service of the Professional and higher categories requested by the General Assembly.

B. Matters relating to post adjustment

Report of the Advisory Committee on Post Adjustment Questions on its thirteenth session

32. As part of its ongoing responsibilities the Commission continued to address issues pertaining to the post adjustment system. At its twenty-eighth session, the Commission considered the report of the thirteenth session of ACPAQ. The report contained the details of the Committee's overall review of the system as well as its consideration, inter alia, of the effects of inflation and currency fluctuations, the cost-of-living survey methodology, operational issues and the results of cost-of-living surveys at a number of major headquarters duty stations and Washington, D.C.

Decisions of the Commission

Overall review of the post adjustment system

33. The Commission decided:

(a) To request its secretariat to carry out further studies regarding modifications to the cost-of-living survey methodology which would lead to the simplification of and improvements in the survey process;

(b) To approve a revised methodology for the calculation of PAIs at the time of place-to-place cost-of-living surveys at field duty stations where out-of-area expenditures amounted to 40 per cent or more of total expenditures;

(c) To apply the revised methodology referred to in subparagraph (b) above for all cost-of-living surveys based on the price collection carried out in New York in November 1986. The results of the surveys should be used for the determination of the post adjustment classification of the duty stations in question as at 1 January 1989.

34. The financial implications of the decision in subparagraph 33 (b) above are estimated at \$600,000 per year for all organizations of the common system.

Cost-of-living survey methodology

35. The Commission decided that:

(a) Full place-to-place surveys should be carried out every eight years and interim surveys should be carried out every four years;

(b) Mini-surveys should be carried out at field duty stations at shorter intervals where necessitated by changes in local conditions, such as sharp increases in inflation rates, substantial devaluations of local currency, reduced availability of goods and services, etc.

36. The Commission noted that there would be no financial implications resulting from its decisions outlined in paragraph 35.

Effects of inflation and currency fluctuations on the post adjustment system

37. The Commission decided that:

(a) The ACPAQ recommendations concerning the procedures to be used for place-to-place measurements and time-to-time adjustments at duty stations in countries with convertible currencies, where out-of-area expenditures reported by staff members accounted for less than 25 per cent of total expenditures, should be studied further as part of the comprehensive review of the conditions of service of the Professional and higher categories;

(b) In all other countries not meeting both criteria specified under subparagraph (a) above:

- (i) Items predominantly purchased outside the duty station (60 per cent or more) should be considered as part of out-of-area expenditures;
- (ii) For place-to-place surveys the price ratio to be applied for out-of-area expenses should be the ratio of the average PAIs for duty stations in countries whose currencies were included in the basket of currencies approved by the Commission at its twenty-sixth session for the determination of the out-of-area price progression factor, to the PAI for New York;
- (iii) For time-to-time adjustments of out-of-area expenditures, the out-of-area price progression factor based on the basket of currencies referred to in subparagraph (ii) above should continue to be used (also see subpara. (d) below);

(c) With effect from 1 June 1988, pension contributions should no longer be taken into account as an item of expenditure in the calculation of PAIs;

(d) The procedure for the calculation of the out-of-area price progression factor approved by the Commission in July 1987 and recorded in its thirteenth annual report 4/ should continue to apply until 31 August 1989. The resulting out-of-area price progression factor should continue to be used at all duty stations except New York and Washington, D.C.;

(e) The remuneration correction factor (RCF) and floor protection measures described in the Commission's twelfth and thirteenth annual reports 5/ should continue to apply, for the time being, at the duty stations concerned.

Report on the results of cost-of-living surveys in London, Montreal, Paris, Rome and Washington, D.C.

38. The Commission noted that a new round of cost-of-living surveys had begun in 1987, based on prices collected in New York in November 1986, and that surveys had already been completed in four headquarters duty stations, Washington, D.C. and more than 50 field duty stations, with two other headquarters duty stations scheduled to be surveyed in the autumn of 1988.

39. Based on the recommendations of ACPAQ, the Commission approved the survey results for the above four headquarters duty stations and Washington, D.C., as summarized below, for implementation as at 1 August 1988.

Comparison between survey results and existing post
adjustment indices

Duty station	Survey date	Exchange rate	Average price ratio between duty station and New York	Post adjustment indices		Percentage difference a/
				Based on survey results	Updated from previous surveys	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Washington, D.C.	June 87	1.000	94.7	131.43	134.34	-2.2
Montreal	June 87	1.340	84.6	117.42	113.93	3.1
Rome	Nov. 87	1.265	106.1	147.26	150.37	-2.1
Paris	Nov. 87	5.930	112.8	156.56	161.59	-3.1
London	Nov. 87	0.581	109.0	151.28	151.90	-0.4

a/ Column (g) equals (column (e)/column (f)) x 100 - 100.

40. The Commission noted that in the case of three of the duty stations listed above, namely London, Paris and Rome, the RCF was currently applicable. The Commission further noted that there were a number of field duty stations where surveys had been conducted and where the RCF was currently applicable. It was recognized that, if the RCF were eliminated at these duty stations in conjunction with the implementation of the survey results, staff members would experience losses in take-home pay in local currency terms. In general, bearing in mind the question of staff-management relations, the traditional policy of the Commission had been not to reduce staff take-home pay as a result of cost-of-living surveys, but to freeze it until cost-of-living movements caught up with the level of take-home pay.

41. In view of the foregoing, the Commission decided that in the case of duty stations where the RCF and floor protection measures applied, the following procedures should be used when implementing the results of new place-to-place surveys:

(a) Post adjustment multipliers, including RCF and floor protection measures, where applicable, should be calculated on the basis of the exchange rate in effect at the time of the latest place-to-place survey;

(b) Where the post adjustment multiplier resulting from the procedure described in subparagraph (a) above was higher than the multiplier in effect, the revised post adjustment multiplier should be implemented;

(c) Where the post adjustment multiplier resulting from the procedure described in subparagraph (a) above was lower than the existing multiplier, take-home pay expressed in local currency should be frozen until a new full class of post adjustment was reached, using the exchange rate on the date of implementation of the survey results.

42. The Commission noted that, had the results of place-to-place surveys at duty stations where the RCF and floor protection measures applied been implemented without regard to the desirability of maintaining take-home pay in local currency at existing levels, this would have resulted in a reduction in costs amounting to \$2 million per year at July 1988 exchange rates.

43. The Commission decided that place-to-place surveys should be carried out in Geneva and Vienna in the fall of 1988, as scheduled.

C. Comprehensive review of the conditions of service of the Professional and higher categories

44. The General Assembly, in section III of its resolution 42/221, decided that a comprehensive review of the conditions of service of staff in the Professional and higher categories should be undertaken in order to provide a sound and stable methodological basis for their remuneration, having due regard to:

(a) The need for securing the highest standards of efficiency, competence and integrity in recruiting staff with due regard being paid to equitable geographical distribution;

(b) The need for greater transparency and simplicity in the concepts and administration of the remuneration system;

(c) The need for sufficient flexibility to respond to varying requirements resulting from different types of appointments and changing circumstances;

(d) The relativity of benefits among duty stations as a factor in staff mobility;

(e) The need for a long-term improvement in the operation of the post adjustment system, including the separation of the effects of inflation and currency fluctuations and a simpler and more accurate reflection of differences in cost of living between the base of the system - New York - and field duty stations.

45. The General Assembly requested ICSC to present to it at its forty-third session a preliminary report on the above-mentioned comprehensive review, containing an analysis of the subject together with an outline of one or more possible alternatives, and to complete its review for presentation to the Assembly at its forty-fourth session.

Consideration by the Commission

46. The Commission recalled that the objectives of organizational pay systems were typically to attract, motivate and retain employees of sufficient quality and in sufficient numbers to meet the organization's goals. The need to attract, motivate and retain highly qualified staff was recognized as a basic requirement for any proposed remuneration options.

47. Broadly speaking, the common system had over a number of years decided that these objectives would be most effectively met by the maintenance of a "common system" of salaries and allowances for staff members in the Professional and higher categories. The common system had four major characteristics at present:

(a) A common grading structure and common salary scales, allowances and benefits throughout the system, with salaries expressed in United States dollars;

(b) No differentiation in pay based on nationality;

(c) A pay package composed of base salary and post adjustment. The post adjustment system resulted in supplements to or deductions from base salary corresponding to cost-of-living differences between the duty station and New York, the base of the system;

(d) Pay levels related to the highest-paying civil service of a member State. This mechanism at present related pay to that of the United States federal civil service with an additional margin, currently quantified as a range from 10 to 20 per cent with a desirable mid-point of 15 per cent, to reflect the expatriation element of United Nations employment, shorter careers and the lesser promotional opportunities that were available compared with a national civil service.

48. In responding to the General Assembly's request for a comprehensive review, the Commission noted that the present remuneration system had operated reasonably well for many years. However, its functioning had been impaired by various factors, such as extreme currency fluctuations, volatile rates of inflation, effects of budgetary and other domestic considerations of the comparator country on the overall level of remuneration in the common system and the increasing problems affecting the conditions of work and life in many duty stations. These factors, in turn, adversely affected the mobility of staff between headquarters and field duty stations. As a result, it had become difficult for the system to respond in a predictable and timely manner to the needs of the organizations in the common system.

49. For the purpose of the present preliminary report to the General Assembly, the Commission did not consider each and every entitlement or benefit, but focused on elements that related directly to the areas identified for particular attention. This was not meant to suggest that such entitlements did not warrant further study, but rather that the review of the pay and allowances structure of the system should take priority.

50. The Commission noted that changes in the comparator(s) and/or the basic structure of the salary system could have significant implications on the determination of pensionable remuneration and hence on pensions. As pension benefits constituted a fundamental part of the conditions of service, the impact of any changes in the salary system on the pension system would need to be carefully assessed.

1. Framework

51. The Commission identified the following four areas for study on a priority basis as part of the comprehensive review:

- (a) The basis for determining the level of remuneration: the definition and identification of the comparator(s);
- (b) The remuneration system, including the post adjustment system;
- (c) Motivation and productivity;
- (d) Mobility and hardship incentives.

For each of these areas, the Commission outlined broad objectives and various options that might achieve them. In doing so, it noted that those options needed to be weighed under each area against the relevant features of the existing system. The Commission also stressed that the various options it enumerated in the different areas were not mutually exclusive, but constituted different alternatives that could be considered jointly or independently from each other. In any case, the different options had not been reviewed on their substantive merits and the Commission had recognized that, since the options in the different areas had an impact on each other and on the system as a whole, it would be necessary at the appropriate time to integrate separate elements and to look at the total picture before making any specific recommendations.

- (a) The basis for determining the level of remuneration: the definition and identification of the comparator(s)

Objective: to ensure that the factors governing the level of remuneration of staff in the United Nations common system take fully into account and respond effectively to the special and unique nature of the work and conditions of service in the system and to provide a sound and stable basis for the remuneration of staff in the Professional and higher categories in the common system

52. To achieve this objective, a decision would have to be taken on whether to retain, change or expand the present pay comparison based on the Noblemaire principle. The methodological basis for the comparison would also have to be carefully examined, bearing in mind the need for greater transparency and simplicity in the concepts and administration of the remuneration system.

53. In considering whether the comparison for the determination of the level of remuneration should continue to adhere strictly to the Noblemaire principle or whether it could or should be extended to include more than one national civil service, it was noted that the range of activities in which the organizations in the common system were involved and the nature of the external environment to which they related had changed since 1945.

54. The view was expressed that, apart from the possibility of considering more than one national civil service, the conditions of service of staff attached to other international and regional organizations such as the Organisation for Economic Co-operation and Development (OECD), the World Bank, the European Communities and others could also be studied for pay comparison purposes.

55. The view was also expressed that consideration could be given to taking private sector organizations into account in the comparison, since they did at times represent actual recruitment sources for organizations in the common system.

56. On the basis of the above considerations, the Commission identified, inter alia, the following options for study:

(a) Continuance of the present system of comparison with the highest-paid national civil service;

(b) Continuance of the present system of comparison with the highest-paid national civil service, but taking into account remuneration in the private sector in the comparator country;

(c) Comparison with a basket of national civil services;

(d) Comparison with a basket of national civil services, taking into account the remuneration of both domestic and non-diplomatic expatriate civil services;

(e) Comparison with one or more international or regional organizations.

57. The relative merits of the above options were not assessed, but based on the course of action chosen, some or all of the above alternatives could be reviewed in depth with a view to determining the methodological framework for the comparison of remuneration, including provisions for adjustments and revisions. At the appropriate time, a decision would need to be taken on whether the comparison for pay-setting purposes would be based on net remuneration, total compensation or both.

(b) The remuneration system, including the post adjustment system

Objective: to ensure, to the extent feasible, that the remuneration system will:

(a) Reflect the organizations' varying requirements resulting from different types of appointment and changing circumstances;

(b) Provide a simpler, transparent, accurate and more equitable reflection of the cost and conditions of living at the duty stations;

(c) Minimize fluctuations in take-home pay arising from changes in exchange rates.

Salary structure

58. In the context of the design of the remuneration system, it could be questioned whether it was still appropriate to have a single world-wide salary scale established in a single currency applicable to both regular and project staff and to all occupational groups. Separate scales could be studied that would distinguish, for example, between different places of assignment; between essentially non-mobile regular staff and regular staff subject to frequent reassignment; and between career staff and technical assistance personnel appointed for relatively short durations. Consideration could also be given to establishing special pay rates for specific occupations for which organizations had found it particularly difficult to attract candidates at current salary levels.

59. The following options could be studied:

(a) Maintenance of the present single world-wide salary scale;

(b) Maintenance of the single world-wide salary scale but with some flexibility in starting salaries to meet special recruitment needs;

(c) Replacement of a single world-wide salary scale by separate scales according to:

- (i) Different geographical areas of assignment;
- (ii) A basic scale to be supplemented by special rates for selected occupational groups;
- (iii) Different categories of staff (e.g., career/short-term staff, mobile/non-mobile; field/headquarters, etc.).

The post adjustment system

60. It was assumed that the system would continue to reflect cost-of-living differences among duty stations. In this connection it would be necessary to consider whether all elements currently adjusted through the post adjustment system should continue to be measured in the establishment of purchasing power parity, and in what way. In this regard, perhaps some separation of the remuneration package into component parts could result in making the system simpler to understand and administer. This might be done either in the context of the present system by separating housing from the post adjustment or by dividing the remuneration package into distinct components. In either case, separation of the housing component would remove from cost-of-living comparisons one of the elements that was most difficult to compare. The current post adjustment system took into account only differences in cost of living. Other systems, for example those used in some national civil services, reflected other factors as well, such as the quality of life, and the possibility of replacing the current system with the latter approach could be studied.

61. Volatility in economic conditions and the accompanying instability in the world currency markets had had a disruptive effect on the post adjustment system. It had considerably added to its complexity by adjustments necessary to mitigate the effect of currency fluctuations on take-home pay. Deductions from base salary in the form of negative post adjustments, which resulted in pay levels that made it difficult to assign staff to a number of field duty stations, had given rise to serious management problems. The ad hoc measures required to correct various anomalies and inequities had further complicated the entire structure.

62. A possibility that might be explored further was to divide the remuneration package into three distinct components that reflected the spending patterns of staff, the first being goods and services, the second relating to housing, and the third component representing all remaining expenditures including the pension contribution. Under this approach, each of the three components could be monitored regularly, reviewed periodically and adjusted as appropriate. Cost-of-living and currency considerations could apply primarily to the goods and services component; the housing component could be subject to local cost considerations; and the third component could be adjusted on a world-wide basis, primarily in accordance with the need to keep remuneration in line with that of the comparator(s).

63. The effects of the measures outlined above on other elements of the remuneration package, primarily pensionable remuneration and rental subsidy, would need to be examined.

64. The Commission identified the following options for study:

- (a) To continue the current system;
- (b) To amend the current post adjustment system by:
 - (i) Eliminating negative post adjustment classifications;
 - (ii) Separating the housing component;
 - (iii) Simplifying the existing methodology concerning place-to-place and time-to-time comparisons;
- (c) Breaking up the pay package into component parts reflecting spending patterns of staff;
- (d) Replacing the post adjustment system by a system that would also take into account additional indicators of the quality of life.

(c) Motivation and productivity

Objective: to enhance motivation and productivity of staff through performance incentives and promotion opportunity.

65. It was recognized that pay progression under the current system was linked primarily to longevity, with limited opportunity for rewarding superior performance and special accomplishment. To increase productivity many employers, including some national civil services, had instituted incentive programmes, including various pay-for-performance systems. In this regard the Commission noted that rigorous performance appraisal was a prerequisite for linking pay to performance and recognized the importance of control mechanisms to ensure selective application of performance pay measures.

66. The Commission outlined the following options for study:

- (a) Continuing the current system;
- (b) Increasing the number of grades within the overall salary span;
- (c) Modifying the salary structure to provide greater financial reward on promotion and lower step increases, resulting in less financial reward for longevity;
- (d) Introducing an incentive awards programme to recognize and reward superior accomplishment;
- (e) Instituting a formal merit pay scheme, directly linking performance to a significant portion of pay for all Professional staff.

(d) Mobility and hardship incentives

Objective: to provide adequate incentives for mobility where needed and for service at difficult duty stations.

67. The comprehensive review should consider the nature and scope of incentives needed to encourage staff mobility where it was considered necessary for the effectiveness of the organizations and mission accomplishment. The Commission noted that the relatively modest compensation for mobility between headquarters and field duty stations under the current system might explain the difficulties faced by the organizations in assigning staff to certain duty stations.

68. Another issue that would deserve study was the form of payment of these allowances, which were currently paid on a monthly basis and thus constituted an integral part of regular income. The payment of these incentives could be linked more closely with the actual assignment/movement of staff, for example by defining these allowances on a lump-sum basis.

69. The Commission identified the following options for study:

(a) Revision in the relative levels of remuneration between headquarters and field duty stations;

(b) Conversion of the current allowances for mobility and/or hardship into lump-sums payable in one or several instalments. This could be used as an inducement in assigning or recruiting staff for service at difficult duty stations.

2. Concluding remarks

70. The above remarks constitute the Commission's preliminary report on the comprehensive review requested by the General Assembly. In conducting the substantive work involved in the comprehensive review, the Commission will follow the directives and guidelines that, it was hoped, the Assembly would provide in the context of its consideration of the present preliminary report. Without such directives and guidelines, the Commission will have to explore a large number of options, an activity that would entail a considerable investment of time and resources.

CHAPTER IV

REMUNERATION OF THE GENERAL SERVICE AND RELATED CATEGORIES

A. Review of the general methodology for surveys of the best prevailing conditions of service of the General Service and other locally recruited categories at headquarters duty stations

71. Further to decisions taken at its twenty-sixth session to modify the methodology adopted in 1982 for the conduct of salary surveys at headquarters locations, the Commission, at its twenty-seventh session, approved the text of the revised methodology. The revised methodology was issued as a separate document in all languages of the Commission.

B. Survey of best prevailing conditions of service for language teachers in New York

72. As part of its responsibilities under article 12 of its statute, the Commission reviewed the conditions of service of language teachers in New York on the basis of a survey of best prevailing local conditions of employment for such staff. The salary scale recommended by the Commission is reproduced in annex IV to the present report. The financial implications of this recommendation are estimated at \$60,000 per annum.

C. Survey of best prevailing conditions of service in Montreal

73. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service for the General Service category at Montreal. The salary scales recommended by the Commission are reproduced in annex V to the present report. The financial implications of the recommendations amount to approximately \$300,000 per annum, using the exchange rate in effect on 1 April 1988.

CHAPTER V

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

A. Education grant

74. At its July 1987 session, the Commission decided to defer consideration of the overall level of the education grant and related provisions until its July 1988 session. It considered at that time that there would be justification for a revision of the level of the grant, as had been recommended by CCAQ, but, bearing in mind decisions and recommendations in other areas and their financial implications, preferred to postpone its review until 1988. The Commission based its July 1988 examination of the issue on a proposal submitted by CCAQ. The Commission also considered the views of the International Fund for Agricultural Development (IFAD), which were presented separately. In the light of the increase in the level of expenditure on education reported in 1987 and of the further increases noted in the fees charged by schools commonly attended by children of common system international staff at the headquarters duty stations, CCAQ recommended an increase in allowable costs from the present level of \$6,000 to \$9,000, thereby raising the maximum grant from the present \$4,500 to \$6,750. CCAQ also proposed that the ceiling for boarding costs be increased from \$1,500 to \$2,000 within the maximum grant of \$6,750, and that the maximum allowable costs for the education of disabled children be set at the same revised level as for the regular education grant, with the reimbursement maintained at 100 per cent. On the question of the local currency floor provisions, CCAQ concluded that the retention of the existing floor, based on March 1983 exchange rates, was the only way of reflecting consistently the value of the increase at various duty stations. These and related measures were recommended for application as from the school year in progress on 1 January 1989.

Decisions and recommendations of the Commission

75. The Commission decided to recommend that:

(a) At all locations except those described under subparagraph (b) below, the amounts should be established in United States dollars, as follows:

- (i) The maximum amount of admissible educational expenses should be set at \$9,000, thus providing for a maximum grant of \$6,750;
- (ii) Within the maximum grant of \$6,750, the ceiling for boarding costs should be increased from \$1,500 to \$2,000;
- (iii) The amount of additional reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be maintained at \$1,500 per year;
- (iv) The amount of the grant for each disabled child should be equal to 100 per cent of the admissible educational expenses actually incurred, up to a maximum of \$9,000;

(b) When the educational expenses were incurred in a country where the Commission had decided that the RCF was applicable, all amounts should be established in local currency as set out below, using for purposes of converting the relevant amounts in United States dollars the rate of exchange applicable as at 1 April 1988 for the education grant:

- (i) The maximum amount of admissible educational expenses should be raised to a level 50 per cent above the current maximum of \$6,000, converted into local currency;
- (ii) The maximum amount of the grant should be set at 75 per cent of the revised maximum amount of admissible expenditures, expressed in local currency;
- (iii) The ceiling for boarding costs should be raised to a level one third above the current ceiling of \$1,500, converted into local currency;
- (iv) The amount of additional reimbursement of boarding costs over and above the maximum grant, payable to staff members at designated duty stations, should be set at the equivalent in local currency of the current amount of \$1,500;
- (v) The amount of the grant for each disabled child should be equal to 100 per cent of the revised maximum amount of admissible educational expenses expressed in local currency, as described in subparagraph (b) (i) above;

(c) These measures should be applicable as from the school year in progress on 1 January 1989.

76. The Commission decided that the next review of the level of the education grant should take place in 1991.

77. The financial implications of the above decisions are estimated at an additional \$3 million per year for the increase in the maximum amount of the grant and \$1.6 million per year for the increase in the maximum reimbursement of boarding costs, system-wide, using the exchange rates in effect on 1 April 1988.

B. Dependency allowances

78. At its twenty-seventh and twenty-eighth sessions, the Commission examined the current status of the children's, spouse and secondary dependant's allowances for all categories of staff and addressed the relevant issues. The amounts of the children's and secondary dependant's allowances for the Professional and higher categories had not been revised since January 1983 and January 1977, respectively.

Recommendations and decisions of the Commission

79. With respect to the Professional and higher categories, the Commission decided to recommend to the General Assembly that, effective 1 January 1989:

- (a) The children's allowance should be revised as follows:

- (i) In all countries, with the exception of those in subparagraph (ii) below, to increase the current allowance of \$700 to \$1,050;
- (ii) In those countries where the Commission had decided that the RCF was applicable, to increase the amount payable in local currency as at 1 April 1988 by 50 per cent;
- (b) The secondary dependant's allowance should be revised as follows:
 - (i) In all countries, with the exception of those in subparagraph (ii) below, to increase the current allowance of \$300 to \$450;
 - (ii) In those countries where the Commission had decided that the RCF was applicable, to increase the amount payable in local currency as at 1 April 1988 by 50 per cent.

80. In addition, the Commission decided that:

(a) These allowances would be further considered in the context of the comprehensive review;

(b) Subject to subparagraph (a) above, the allowances should, in principle, be reviewed every three years and adjusted, if necessary.

81. With respect to the General Service and related categories, the Commission decided that:

(a) The "social benefit floor" formula for the determination of the children's allowance would be maintained at 3 per cent of the mid-point of the local salary scale;

(b) Payment of the children's allowance would continue to be limited to a maximum of six children where the formula referred to in subparagraph (a) above applied;

(c) The percentage of the mid-point of the local salary scale used to determine the "social benefit floor" amount of the children's allowance would, in principle, be reviewed every five years;

(d) The allowances should be reviewed at the time of interim adjustments of salary scales and revised, if warranted, as of the date of implementation of the resulting salary scales;

(e) The existing requirement for a minimum movement in individual dependency allowances as a prerequisite for their adjustment would be eliminated, with effect from the first interim salary adjustment after 1 June 1988.

82. With respect to both categories of staff, the Commission decided that:

(a) The upper age-limit for the children's allowance would be maintained at "under 21" when the child was at school or university;

(b) The 1981 CCAQ definition of secondary dependants would continue to apply;

(c) In a country where a direct payment under social legislation was made to common system staff with respect to a child or a secondary dependant, the amount of the corresponding dependency allowance paid by the common system organisation(s) should be reduced accordingly.

Financial implications

83. The financial implications of the above decisions relating to the Professional and higher categories are \$8.17 million per year for the children's allowance and \$120,000 per year for the secondary dependant's allowance using the exchange rates in effect on 1 April 1988.

CHAPTER VI

CONDITIONS OF SERVICE IN THE FIELD

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

84. The Commission considered a report of the working group, which included proposals on (a) the scoring scheme for the review of entitlements at field duty stations, (b) the reimbursement of medical examinations for family members, and (c) guidelines for assessing the adequacy of educational facilities at field duty stations in application of the improved provisions for the reimbursement of boarding costs for staff members at locations where educational facilities were not available or deemed inadequate, approved by the General Assembly in its resolution 42/221. The Commission recalled that the Assembly had requested it to provide information on such guidelines in its annual report for 1988.

Decisions of the Commission

85. The Commission decided to approve the proposed revisions to the scoring scheme.

86. With regard to the reimbursement of medical examinations, the Commission decided that:

(a) The maximum amount of reimbursement for eligible dependants would be set at 75 per cent of that for staff members and procedures for future adjustments would therefore follow those for the adjustment of the basic amount for staff members;

(b) Effective 1 September 1988, this amount would be payable for each eligible dependant, once within a two-year period or on the occasion of a reassignment to a designated duty station, whichever came sooner.

The financial implications of the Commission's above decision are estimated at \$275,000 per year, system-wide.

87. The Commission took note of the information provided on the guidelines that were being used by the organizations for determining entitlements to the additional reimbursement of boarding costs. These were the same as the guidelines used to determine the additional education grant travel entitlement. Additional boarding costs were reimbursed when:

(a) No educational facilities were available at the duty station;

(b) Educational facilities were available only up to a certain level (at duty stations - typically smaller ones - where only elementary education was provided or where education at the secondary level was available only in certain subjects; education at the post-secondary level was typically not available at small field duty stations);

(c) The language of instruction was inappropriate (education was not available in an official language of the United Nations and/or the language of the majority of international staff at the duty station);

(d) Places were not available (at duty stations where educational facilities with the required characteristics were available, but where there were long waiting lists, or enrolment was restricted to a particular nationality).

The Commission decided to report these guidelines to the General Assembly. It concurred with the working group that the guidelines could continue to be applied to determine which duty stations would be eligible for the additional reimbursement of boarding costs.

88. The Commission requested the organizations to provide information on the number of cases and related costs for the entitlement to the additional reimbursement of boarding costs by 31 October 1988 in order to allow this information to be submitted to the General Assembly at its forty-third session.

CHAPTER VII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

Recruitment policy: progress made in undertaking special measures for the recruitment of women

89. The Commission considered a document prepared by its secretariat as part of its ongoing review of the status of women in the organizations of the United Nations common system. With a few notable exceptions, organizations reported little progress in carrying out the Commission's recommendations presented to the General Assembly in 1985. While most organizations had made a commitment to the principle of improving the status of women, commitment had not always been translated into action. It was evident from the information available that the organizations with the highest success rates were those where targets had been set and monitoring took place.

Decisions of the Commission

90. The Commission requested its Chairman to invite governing bodies, through the executive heads, to place the matter on the agenda of their next meeting and to report thereon to the Commission at its thirtieth session. This decision was directed particularly at organizations where progress in improving the status of women had been limited and where such action had not already been taken.

91. The Commission decided to recommend to the organizations that they:

(a) Stress the importance of commitment at the highest level to employ and promote more women, especially in mainstream (decision-making and policy-level) functions and at senior levels, and if they had not already done so, to establish specific targets and goals and report thereon to the Commission at its thirtieth session;

(b) Take concrete steps to broaden and strengthen their contacts with national recruitment services, when possible, in line with earlier recommendations in this area;

(c) Amend, if they had not already done so, their personal history forms to permit candidates to indicate their willingness to have the forms shared with other agencies;

(d) Amend, if they had not already done so, staff rules prohibiting the appointment of family members to permit the recruitment of spouses for established posts.

The Commission further decided to request its secretariat, at the forthcoming biennial meeting of national recruitment services to be held in October 1988, to discuss the feasibility of convening a special meeting with representatives of these services to discuss common recruitment strategies for women.

CHAPTER VIII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 15 OF ITS STATUTE

Common staff regulations

92. At its twenty-seventh session, the Commission considered the issue of the development of common staff regulations for the organizations of the United Nations system. It recalled that it had first discussed this item at its twenty-fifth session in March 1987 in response to General Assembly resolution 40/250 of 18 December 1985, in which ICSC was called upon to pursue its efforts to achieve greater co-ordination of staff regulations. The Commission would report to the Assembly upon completion of its work. It was noted in this connection that the issue of common staff regulations was linked to the outcome of the comprehensive review of the conditions of service of the Professional and higher categories, which might necessitate changes in the staff regulations of the organizations.

CHAPTER IX

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation of the recommendations and decisions of the Commission

93. At its twenty-seventh session, the Commission reviewed the implementation by the organizations of its recommendations and decisions, devoting its attention, in particular, to deviations in the implementation of General Service salary scales recommended by the Commission at various headquarters duty stations, the application of the RCF by the World Intellectual Property Organization (WIPO), long-service steps and linked grades.

Decisions of the Commission

94. The Commission decided:

(a) To express appreciation to the executive heads for informing it on a regular basis of action taken by the governing bodies of their organizations on its decisions and recommendations;

(b) To reiterate its request to those organizations that had deviated in the effective dates of implementation of the Commission's recommendations under article 10 of its statute to make every effort in the future to conform with the dates recommended;

(c) To request WIPO to report on the review undertaken by its governing bodies of its staff regulation 3.1 ~~his~~ on the protection of take-home pay in local currency, for consideration by the Commission at its twenty-ninth session and to authorize its Chairman to continue to press WIPO to comply with the Commission's decision in this regard;

(d) To reiterate its request to the United Nations to make every effort to harmonize with other organizations the effective dates of implementation of cost-of-living adjustments for the General Service and related categories at duty stations where there had been differences in the past in such implementation dates;

(e) To request the United Nations, UNIDO and the International Atomic Energy Agency (IAEA) to make every effort to apply in a uniform manner the salary scales of the General Service and related categories at Vienna at the earliest possible date; 6/

(f) To note the progress made in regard to linked grades by the International Maritime Organization (IMO) and the intention of the United Nations Development Programme (UNDP) to reduce the number of posts for which linked grades were used;

(g) To urge the Universal Postal Union (UPU) and WIPO to reconsider their continued use of linked grades, which was unjustified;

(h) To note that no action had been taken to introduce a long-service step for staff in the Professional and higher categories and to include this issue in its comprehensive review of the conditions of service of the Professional and higher categories (the introduction of a long-service step for such staff had been recommended by the Commission in 1987 but was not accepted by the General Assembly);

(i) To reiterate its request to organizations that were not yet doing so to provide the ICSC secretariat with the relevant resolutions, decisions and reports of their legislative bodies.

CHAPTER X

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 18 OF ITS STATUTE

Security and independence of the international civil service

95. Following a request from CCISUA at the twenty-sixth session, the Commission reviewed the issue of the security and independence of the international civil service at its twenty-eighth session, based on information in the annual reports of the Secretary-General to the General Assembly on the respect for the privileges and immunities of officials of the United Nations and the specialized agencies.

Decisions of the Commission

96. The Commission decided:

(a) To request the organizations concerned to co-ordinate their policies regarding the preservation of contractual rights in cases of arrest and detention;

(b) To invite the organizations to consider the introduction of pre-emptive measures to ensure that the privileges and immunities of officials of the United Nations and the specialized agencies were respected, such as the measures applied by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and as proposed by CCISUA;

(c) To request the organizations to review the feasibility and usefulness of further co-ordinating their interventions before the member States concerned in cases of arrest and detention;

(d) To emphasize that member States were bound by the relevant Conventions on Privileges and Immunities and the UNDP Standard Basic Assistance Agreement to protect the staff of the organizations;

(e) To request the organizations to visit detained staff members as frequently as possible in order to reduce their sense of isolation;

(f) To request its secretariat to bring to the attention of the Commission each year the annual reports of the Secretary-General to the General Assembly on the matter.

PART TWO

**VIEWS OF THE ORGANIZATIONS AND STAFF REPRESENTATIVES
AND DISCUSSION BY THE COMMISSION**

CHAPTER XI

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

Functioning of the International Civil Service Commission and relations between the Commission and staff representatives

Views of the organizations

97. The Director-General of the International Labour Organisation (ILO) emphasized the important responsibility of the Commission in ensuring an international civil service of the highest quality, particularly during the present period of zero or negative growth and financial difficulties facing most of the organizations. The conditions of service of the staff had deteriorated over the past 15 years to such an extent that the organizations no longer had the means to recruit the highest calibre staff. The organizations were no longer competitive with the private sector, and some countries made supplementary payments to their nationals. Profound frustration was felt by staff. If budgetary reductions were necessary, programmes should be cut but savings should not be made at the expense of staff. The Commission had to ensure for common system staff those conditions of service which would enable the organizations to carry out their programmes in the best possible manner. In this regard, the United Nations system should not be treated less favourably than other international public sector organizations. Improved consultations with the staff were of the utmost importance. The Director-General deplored the decisions of the staff to suspend participation in the work of ICSC. In the absence of dialogue, there was a lack of understanding and suspicion, but to have meaningful dialogue and consultations the means had to be made available. It was the Commission's responsibility to make every effort to find the modalities for more transparency and a meaningful dialogue with staff and administrations. The Commission also had to take into consideration the views of governing bodies. The General Assembly was one of these but not the only one. He referred to the expertise of ILO in the area of labour relations. His organization was prepared to provide advice and assistance in that area. The executive heads also wished to reinforce dealings with the Commission. Accordingly, he hoped it would be possible for the ICSC Chairman to attend the meetings of the Administrative Committee on Co-ordination (ACC) when it discussed staff matters. In addition, reference was made to the importance of ICSC also meeting at the headquarters of other organizations. In this connection, he invited the Commission to hold its summer session in 1990 at ILO headquarters in Geneva.

98. The IAEA representative stated on behalf of his executive head that the Agency attached a great deal of importance to a meaningful dialogue among the organizations, the staff representatives and the Commission. The active participation of all parties concerned in the comprehensive review was essential.

99. The Chairman of CCAQ and other organizations' representatives said that the organizations very much regretted the absence of the staff representatives at the twenty-eighth session. They agreed, however, that that should not interrupt the important work at the session. They would of course also support all efforts to have the staff participate again as soon as possible. The Chairman of CCAQ emphasized the need for a change in the Commission's working methods to allow for a full dialogue among parties concerned. It was important, furthermore, for the

Commission to provide a clearer picture than in the past of the reasons for the decisions taken. Situations should also be avoided where ICSC decisions in the form of the draft report were provided to the organizations and staff at the last moment. To that end, the organizations welcomed the proposals on this item put forward by the ICSC Chairman. The organizations were of the view that it was important to maintain the closest working contacts between the ICSC and CCAQ secretariats, as well as between the ICSC secretariat and members of the Commission, so that, for example, proposals presented in documents submitted to the Commission did not come as a surprise and necessitate hurried review on the organizations' part. CCAQ suggested, for example, that in the context of the comprehensive review, one or two ad hoc tripartite working groups be established to develop jointly papers for the Commission's consideration.

100. With regard to the format of the annual report, CCAQ would advocate that:

(a) The report be significantly shortened;

(b) The views of the organizations and of the staff be preserved not in the annual report but in the sessional reports, which would thus take on more the form of summary records;

(c) The discussion section of the annual report reflect in a more dynamic way the exchange of views between the three parties concerned in the Commission's deliberations, which would allow the reader to obtain a clearer understanding of how the Commission's decisions had been reached;

(d) The text be very carefully self-edited to reduce repetition and ensure a crisper presentation.

Discussion by the Commission

101. After a thorough exchange of views on all points raised in the Fifth Committee, the Commission agreed that in 1988 it would deal primarily with ways of enhancing its annual report and would address other issues in more detail at coming sessions. The Commission requested the secretariat to produce shorter reports written in simple and clear language that reflected the discussions by the Commission and the reasons for its conclusions.

102. The issue of the independence of the secretariat was also discussed, but it was felt that the problem, if there was one, had so far not been clearly identified. One member of the Commission stressed that the problem of the independence of the ICSC secretariat indeed existed and it was therefore necessary to find a solution. One of the possible ways would be to increase salary scales for ICSC secretariat staff or explore some other solutions. Most members felt that the impartiality and integrity of the Commission's secretariat was beyond reproach and that even on the most complex and sensitive matters it had shown excellent judgement.

103. The members recognized the need expressed in the Fifth Committee for greater consensus within the Commission. However, while working by consensus was an ideal objective, the Commission was not required to do so by its statute. There were times when it was useful to air dissenting views. Most members of the Commission were opposed to the suggestion made in the Fifth Committee that alternate members be appointed to act in the place of absent members of the Commission. This was

deemed inconsistent with the statute and with the individual responsibility of members. It was further pointed out that an effort should be made to nominate persons who would be available to attend sessions. A view was expressed that, while members were indeed appointed in their individual capacity, the idea of having alternate members deserved further consideration. Members of the Commission were of the view that it would be impractical to rotate the chairmanship of the Commission, as continuity and experience were of great value. The issue was, moreover, closely linked to the question of equitable geographical distribution and involved therefore not only the Chairman, but the entire Commission. A view was expressed that the Commission could make some proposals to the General Assembly in 1988 on the question of rotating the chairmanship of ICSC, although some aspects, such as the period of rotation, would require additional study.

104. The Commission agreed that the suspension of the participation of FICSA and CCISUA in all activities of ICSC made it necessary to consider this issue on an urgent basis. On the basis of article 28, paragraph 2, of the statute and rule 37 of the rules of procedures, there was no legal requirement for FICSA and CCISUA to participate in the work of ICSC. However, in accordance with the footnote to rule 37, which called for the fullest possible consultation with executive heads and staff, the participation of staff representatives was considered extremely important. The Commission was of the opinion that every effort should be made to have the staff representatives resume their participation in its work at the next session in March 1989. The charges made by FICSA and CCISUA that the Commission did not take the views of the staff representatives into account before reaching its decisions and recommendations and that it had a negative attitude to staff concerns as well as the allegation that the Commission acted as a political agent of the Fifth Committee and not as an independent technical body were unfounded and, therefore, unacceptable. It was concluded that ACC should give very careful consideration to the situation that had developed and take appropriate initiatives to ensure the continuance of the common system which, experience had shown, was in the wider interests of the organizations and of the staff.

105. The Commission recognized that its procedures and working methods could be improved. The members of the Commission were of the view that the executive sessions were required for an exchange of views among themselves as they were collectively responsible for the Commission's decisions. They noted that when the Commission was not in session, members generally did not have access to information regarding developments in the common system. There was, therefore, a need for pre-session briefings so that members could become more fully acquainted with the items to be reviewed. It was also felt that when meeting at a headquarters location other than New York the Commission should have more opportunity for discussions with the executive heads and staff.

106. The Chairman of the Commission informed the members that his understanding from discussions with staff representatives was that they wanted a machinery for negotiations on a common system basis. That was, however, a question for the employers to resolve.

107. Regarding the format of its annual report, the Commission concluded that dissenting views would normally appear under the discussion of the Commission in part two and that in exceptional cases, i.e., where there were divided views on major issues, they would be reflected in part one.

CHAPTER XII

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Remuneration of the Professional and higher categories

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

Consideration by the Commission at its twenty-seventh session

Views of the organizations and the staff representatives

108. The Chairman of CCAQ noted that at the last session of the Commission ACC had conveyed to the Commission its views that the freeze on emoluments that had been in effect since December 1984 was inhibiting the effective discharge of the organizations' operational responsibilities. The view of ACC was that the freeze should be lifted as soon as possible after the margin fell below the mid-point of 115. CCAQ continued to hold that position of principle. The exact date when the freeze should be lifted was a matter for technical determination, based on movements in the various factors taken into account in margin calculations. From the information provided in the ICSC secretariat's document, it now emerged that the reason for the possible early lifting of the freeze in New York was the steep increase in the cost-of-living differential, linked to the application of the new out-of-area price progression factor introduced in September 1987. Since the purpose of the new progression factor had been to reflect more accurately the purchasing patterns of staff, it had not been intended that it would increase the difference in cost of living between New York and Washington, D.C. CCAQ had thus concluded that it would not be appropriate for the freeze on post adjustment to be lifted in February 1988 as an unforeseen consequence of the introduction of the new out-of-area progression factor. Reverting world wide to the previously applied out-of-area progression factor would not represent a solution because it would introduce the very anomalies that the new procedure had sought to address. The procedures outlined in the report of the Working Group on currency fluctuations offered a solution on which it would be necessary to have the benefit of the technical advice of ACPAQ, a solution which was the preferred approach of CCAQ. Another option, which had the advantage of simplicity and would keep the margin calculations as close as possible to the information provided to the General Assembly, was to use the "old" out-of-area price progression factor for Washington, D.C. and New York only.

109. The President of FICSA recalled that the Federation had previously suggested that the reference period be changed to the calendar year, thereby corresponding to the reference period of the comparator. At the FICSA Council meeting at the beginning of February 1988, members of FICSA had been informed by the ICSC Chairman that lifting of the freeze was expected on 1 February. Data before ICSC confirmed that post adjustment class 8 had become due in New York on 1 February 1988. While that was earlier than expected, FICSA underlined that the lifting of the freeze in June 1988 had been just one hypothesis among many. If, for example, the dollar had risen substantially, it could well have been lifted at a later date. In 1987 the Commission had decided to modify the out-of-area price progression factor in order to reflect currency fluctuations more faithfully in the post adjustment. However,

the fall in the dollar had been such that the decision had had repercussions that nobody could have foreseen. For the future, the Commission would no doubt have to re-examine the way in which the cost-of-living differential was calculated, possibly by basing it only on in-area expenditure. In no event could a modification of the decision taken in July 1987 be made with retroactive effect if the Commission were to maintain its credibility. FICSA was extremely concerned about the legality of the procedure recommended by CCAQ and had already consulted its legal adviser. FICSA was convinced that the Commission would respect the rules and decisions that it had itself adopted and that it would lift the freeze in February, even if it changed the method of calculating the cost-of-living differential for the future.

110. The representative of CCISUA noted that no data were available on the savings to the organizations because of the freeze of the post adjustment in New York since 1984. Currently, however, there seemed to be a concern about the cost implication of "unfreezing" the post adjustment in New York a few months early. CCISUA represented over 10,000 Professional staff who anxiously awaited the results of current deliberations. If there were concerns about the methodology, he proposed that the specific problem of the out-of-area price progression factor be referred to ACPAQ, after the New York post adjustment was "unfrozen" effective 1 February 1988.

Discussion by the Commission

111. The Commission noted that, when it decided to revise the methodology for the calculation of the out-of-area price progression factor at its July 1987 session, it had examined the issue in the context of the effects of inflation and currency fluctuations on the post adjustment system. It had reported this fact in its thirteenth annual report. 7/ The financial implications of the Commission's decision on the revised methodology for the calculation of the out-of-area price progression factor were also reported to the General Assembly solely in that context.

112. The July 1987 decision to revise the out-of-area price progression factor was taken with a view to abating the effects of currency fluctuations on take-home pay. This technical decision by the Commission was within its competence under article 11 of its statute. The effect of that decision on the PAIs for New York and Washington, D.C., and therefore on the margin, had not been considered by the Commission and hence had not been reported to the General Assembly. Further review of the decision in the context of the margin indicated that the use of the revised out-of-area price progression factor had in fact affected the PAIs for New York and Washington, D.C. as well as the cost-of-living differential between the two cities - an element in the margin calculation methodology. This effect of the revised procedure for the calculation of the out-of-area price progression factor would result in significant financial implications that had not been anticipated by the Commission.

113. The Commission recalled that the results of the margin calculations it had provided to the General Assembly to date, including those reported since the submission of the Commission's eleventh annual report, 8/ had been based on the PAIs for New York and Washington, D.C., calculated in accordance with the old out-of-area price progression factor. The Commission had reported in paragraph 17 of annex I to its eleventh annual report that, between comprehensive surveys, the

PAIs for New York and Washington, D.C. had been adjusted by the relevant BLS CPI. For the purpose of annual reporting to the Assembly, however, the margin calculation had always included the out-of-area factor as well.

114. The Commission noted, furthermore, that in its thirteenth annual report 9/ it had submitted its recommendations concerning a revised procedure for the calculation of the net remuneration margin. It had also provided detailed information regarding the implications of its recommendation in that regard, indicating that on the basis of the existing methodology for the calculation of the net remuneration margin the next class of post adjustment would become applicable in New York on approximately 1 June 1988, while on the basis of the revised methodology recommended by the Commission the granting of the next post adjustment class in New York would be advanced to 1 January 1988.

115. It was on the basis of the above information that the General Assembly had reached its decision to maintain the existing methodology for the calculation of the net remuneration margin. The Assembly had not gone into the details of the methodology applied. Indeed, it had made specific references to complexities and to the difficulties experienced by its members in comprehending the report of the Commission. Therefore, in choosing between the methodologies it had relied very heavily on the anticipated results of the utilization of the two methodologies. It could be assumed that the Assembly had thus decided to maintain the existing methodology for the calculation of the net remuneration margin, including the old out-of-area price progression factor, on the express understanding that it would trigger a post adjustment increase for New York in June 1988, with the resulting financial implications that it was prepared to accept.

116. In the light of the foregoing, the Commission concluded that it would be inappropriate not to take into account the understanding of the General Assembly concerning, *inter alia*, the PAIs for New York and Washington, D.C. It was implicit in the decision of the Assembly that the procedures used by the Commission in the past and reported to the General Assembly, along with their effects on all aspects of the net remuneration margin, would continue to be used.

117. The Commission therefore agreed that the old procedure for the calculation of the out-of-area price progression factor, which was used until August 1987, should be used for the calculation of PAIs for New York and Washington, D.C., while the revised procedure for the calculation of the out-of-area price progression factor approved in July 1987 would continue to apply for all other duty stations. In this regard the Commission noted that to use one procedure for New York and Washington, D.C. and a different one for all other duty stations would create some inconsistency. It recalled, however, that its decision concerning the new out-of-area price progression factor was applicable for a one-year experimental period ending on 31 August 1988. As may be seen from paragraph 37 (d) above, the Commission decided that the procedure it had approved in July 1987 for the calculation of the out-of-area price progression factor should continue to apply for all duty stations except New York and Washington, D.C. until 31 August 1989.

Consideration by the Commission at its twenty-eighth session

Views of the organizations

118. The Chairman of CCAQ noted that under a proposal submitted by the ICSC secretariat the net remuneration margin would be maintained around 115 during each

margin period. The organizations were concerned that this proposal was too rigid. CCAQ did not believe that the General Assembly, in setting a range as well as a desirable mid-point over a period of time, had envisaged such rigidity.

119. CCAQ was of the view that the normal operation of the post adjustment system in New York within the margin range of 110 to 120, which called for the implementation of a full class of post adjustment falling due as a result of the movement of cost of living, should continue, provided that the granting of such a class would not result in a margin which exceeded 120. A full class of post adjustment should be granted normally on the date on which the comparator civil service granted a salary increase, provided that the granting of the class for that reason did not result in a margin outside of the range of 114 to 116 calculated over a two-year period. The pay index resulting from the application of that provision should not be allowed to exceed the PAI for New York applicable on the same date. In other words, increases should be granted under the provision only to the extent that they had been withheld as a consequence of the suspension of the New York post adjustment.

Discussion by the Commission

120. The Commission noted the recommendation of ACPAQ that on the occasion of the next place-to-place survey in Washington, D.C., an index based on the comparison of in-area expenditures incurred by United Nations common system officials in New York and Washington, D.C., should be calculated. That index would be used as the basis for the calculation of the cost-of-living differential between New York and Washington, D.C. Between comprehensive cost-of-living surveys, that index would be updated by the increase (or decrease) over a period of time in the BLS CPI for New York as compared with the BLS CPI for Washington. The cost-of-living differential resulting from this procedure would be averaged over 12 months (moving average) and used in the determination of the margin. The Commission further considered a recommendation to use the calendar year as the reference period in view of the practice over the previous five years of granting salary increases in the United States federal civil service as at 1 January rather than as at 1 October. Most members of the Commission were of the view that the above changes would result in improvements to and simplifications in the calculation of the net remuneration margin. However, since the General Assembly had requested that the current margin methodology be maintained for the present, those changes could only be envisaged as part of the review to be undertaken by the Commission for consideration by the Assembly at its forty-fifth session, to be held in 1990.

121. As regards the Commission's decisions concerning the maintenance of the margin around the mid-point of 115, one member was of the view that, when the General Assembly approved the net remuneration margin range of 110 to 120, it had anticipated that the margin would fluctuate within this range. The guidelines established by the Commission would result in a more restrictive interpretation of the Assembly's decision.

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

Views of the organizations

122. CCAQ noted that a different non-expatriate total compensation margin would be obtained than the figure of 111.7 if the measurement were made on 1 July rather than 1 June 1988. This was due to the increase in the rate of pension contributions and health insurance premiums effective 1 July 1988 within the United Nations system. The organizations supported the proposal to use the same 12-month reference period as for the calculation of the net remuneration margin.

123. CCAQ proposed that further studies on the total compensation methodology requested by the Commission for March 1989 be suspended and included instead in the work to be undertaken in the context of the proposals made on the comprehensive review.

Discussion by the Commission

124. The Commission noted that it had scheduled a review of the total compensation methodology for its twenty-ninth session in order to respond to the General Assembly's request in its resolution 42/221 to develop a methodology regarding total entitlements and to present its recommendations thereon to the Assembly at its forty-fourth session. It considered the CCAQ proposal to include the item under the comprehensive review, but preferred to adhere to its approved schedule so as to be in a position to comply with the Assembly's request.

3. Identification of the highest-paid national civil service

Views of the organizations

125. CCAQ noted the preliminary nature of the study and the need to clarify a number of methodological issues, particularly some of the assumptions used in analysing pension benefits. To assist the Commission in its consideration, CCAQ had conducted a study of equivalency comparisons with the national civil services of Australia and Japan and collected data on the salaries of OECD, the European Communities and the World Bank. Based on the information collected, CCAQ had concluded that, notwithstanding the very different career structure of the Japanese civil service, further studies in respect of that civil service might well be warranted and more detailed equivalency comparisons would be useful with regard to OECD, the European Communities and the World Bank.

126. In the view of CCAQ, the most important question was not simply how to identify the highest-paid national civil service but rather how to link work on this item and on other areas that CCAQ considered should be covered as part of the comprehensive review. CCAQ suggested, furthermore, that whatever equivalency studies were pursued should be limited in scope and suggested that they might be based on the methodology used by the International Civil Service Advisory Board (ICSAB) and in the earliest days of the Commission.

Discussion by the Commission

127. The Commission noted that in the identification of the highest-paid national civil service the role played in remuneration comparisons by cost-of-living measurements became particularly relevant. It further noted that ACPAQ had addressed the issue at the time of the previous study of this item and that the current study had not taken into account the recommendations of ACPAQ due to time and resource constraints. The view was expressed that if the post adjustment system were used to measure the cost of living at the relevant duty stations there would be no reason to pursue further comparisons with the Federal Republic of Germany. The higher cost of living in Bonn vis-à-vis either Washington, D.C., or New York, as reflected in the post adjustment system, would lead to the conclusion that the Federal Republic of Germany was not a better comparator than the current one. The secretariat of the Commission noted, however, that if the approach used by the Federal Republic of Germany in its own cost-of-living measurements were applied, the reverse conclusion might be reached. The Commission recognized that, notwithstanding the ACPAQ recommendations, the methodology to be used in calculating cost-of-living differences between the relevant duty stations had not been fully considered by the Commission.

128. The Commission concluded that the comparison of remuneration among a number of possible comparators was one of the alternatives to be brought to the attention of the General Assembly. In that context, it viewed the preliminary studies by its secretariat and CCAQ as useful starting points for a further consideration of the item as part of its comprehensive review.

4. Supplementary payments

Discussion by the Commission

129. The Commission noted that since sovereign States were involved it was not in a position to enforce compliance but agreed that it should continue to draw the attention of the member States and organizations to the inappropriateness of supplementary payments and deductions. It also urged the organizations to exercise their responsibilities vis-à-vis their staff with regard to the issue. The review carried out by its secretariat, though incomplete owing to the inadequate response from member States, had revealed that the practice of supplementary payments was on the increase. Those developments were a matter of great concern to the Commission because they resulted in unequal treatment of staff. The Commission also noted that no further data had become available on reimbursable and non-reimbursable loans of nationals from member States to organizations and concluded that it might wish to consider the issue of the status of such staff in the future.

130. Several members noted that member States making supplementary payments had linked the practice to the level of remuneration in the common system and the high cost of living for expatriates, issues that should be addressed in the context of the comprehensive review of the conditions of service of the Professional and higher categories requested by the General Assembly.

B. Matters relating to post adjustment

Report of the Advisory Committee on Post Adjustment Questions at its thirteenth session

Views of the organizations

131. The Chairman of CCAQ stated that the method of adjusting remuneration both over time and between duty stations was a key element of the comprehensive review of the conditions of service of the Professional and higher categories. Three points were stressed regarding the current recommendations of ACPAQ: (a) the importance of immediate approval of the recommendations of the Working Group established by the Commission at its twenty-sixth session to review the separation of the effects of inflation and currency fluctuations in the post adjustment system; (b) the periodicity of surveys; and (c) the need for some recommendations made by ACPAQ, which represented a significant departure from existing procedures, to be studied further in the context of the comprehensive review.

Discussion by the Commission

Overall review of the post adjustment system

132. The Commission noted that under the existing methodology for the conduct of place-to-place surveys, expenditure weights at both the survey duty station and New York were taken into account. This procedure, however, introduced a bias at field duty stations where, due to the poor supply of goods, staff members were obliged to make a large proportion of purchases outside the country of the duty station, generally in hard currency. The bias in the PAIs for those countries would be minimized by using only local expenditure weights to aggregate in- and out-of-area expenditures, without reference to the expenditure pattern in New York. It was in this context that the Commission approved the modified procedure for the calculation of PAIs referred to in paragraph 33 (b).

Cost-of-living survey methodology

133. The Commission noted that ACPAQ had recommended that the periodicity of full place-to-place surveys should be changed from the current six years to 10 years, with interim surveys to be carried out after five years as opposed to the current three-year period. However, the organizations had expressed the view that the current periodicity should be maintained. In this regard, the Commission was informed by its secretariat that expenditure weights, which were based on the data collected as part of full place-to-place surveys, generally showed little change over a period of 10 years at most duty stations. At some duty stations, however, changes in expenditure weights could be expected within shorter intervals, due to changes in the composition of the staff and in economic conditions. The Commission, therefore, was of the view that a balanced approach would be to schedule full place-to-place surveys every eight years, with interim surveys to be carried out every four years. At duty stations where significant changes in expenditure patterns had occurred as a result of changes in local conditions, such as sharp increases in inflation rates, substantial devaluations of local currency, reduced availability of goods and services, etc., these could be measured by carrying out mini-surveys as and when necessary.

Report on the results of cost-of-living surveys in London, Montreal, Paris, Rome and Washington, D.C.

134. It was noted that as a result of the Commission's decision to freeze remuneration in local currency terms at the level in effect prior to the implementation of the survey results, recorded in paragraph 41 (c) of the present report, staff members would be paid more than was warranted by the results of the surveys. However, the frozen amount in local currency would act as both the floor and the ceiling, until a new full class of post adjustment at the exchange rate in effect on the date of implementation of the survey results was reached. Consequently, the next increase in post adjustment would be delayed beyond the date reached under the normal operation of the post adjustment system. This would result in recovering to some extent the additional expenditure incurred due to the decision not to reduce remuneration on the basis of the survey results.

C. Comprehensive review of the conditions of service of the Professional and higher categories

Views of the organisations

135. CCAQ presented a report prepared by Organisation Resource Counselors, Inc., the compensation specialist consultant company that had been retained by the organisations. The report had been prepared by ORC working in collaboration with three remuneration specialists from the United Nations system. The consultant had been asked to concentrate on compensation elements, including salaries and expatriation benefits. Thus not all conditions of service were covered, such as pensions, medical insurance and leave. While the report contained essentially one approach to a new compensation system, in their deliberations the consultant and the collaborating team had considered and discarded several other approaches that they had found not to be viable.

136. CCAQ noted that the consultant's proposals concentrated on restructuring, leaving open the question of how pay would be fixed in relation to the comparator or comparators that would be retained in the framework of a revised system. CCAQ had welcomed the report, noting that the consultant's proposals were innovative and far-reaching. There were inevitably matters of substance and detail that would require further critical study, analysis and testing, and in the long run, not all proposals might be accepted.

137. CCAQ felt that the consultant's report could provide an important input into the comprehensive review. There must be full and active participation by organisations and staff representatives in every step of the process: such participation would contribute to the technical soundness, broad acceptability and administrative workability of any revised system of compensation. CCAQ therefore recommended the establishment of working groups to cover the following areas:

- (a) Comparators;
- (b) The pay package;
- (c) Merit pay and the grading structure;
- (d) Mobility and hardship incentives.

138. Research and development work on the substantive elements of each of these major areas should be divided between the ICSC and CCAQ secretariats. Some ongoing studies (for example, on the highest-paid civil service and the total compensation methodology) might have to be restructured under the comprehensive review and others rescheduled in order to give the highest priority to the comprehensive review. In addition, the ACPAQ work programme might need to be revised in order to focus attention on the proposals for a simplified post adjustment system. CCAQ therefore reiterated the proposal it had made at ACPAQ's recent session that a special session of ACPAQ should be held in early 1989.

Discussion by the Commission

139. The Commission had a preliminary discussion on all aspects of the comprehensive review on the basis of documents presented to it including the report of the CCAQ consultant. With regard to the consultant's report submitted by CCAQ, the Commission was of the view, that, while it contained a number of new and interesting proposals, it was premature at this stage of the Commission's review to take a position on the recommendations made. The Commission was nevertheless of the view that these proposals could be studied further in the context of its review, in addition to others that had been proposed and might be developed.

CHAPTER XIII

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

A. Education grant

Views of the organizations

140. Since the proposals on the item came from CCAQ, the views of the organizations are presented in part one of the present report (see para. 74).

Discussion by the Commission

141. The Commission noted that it had already agreed that sufficient justification existed for an increase in the level of the education grant and that the main question remaining was the level to which the grant should be raised. The statistics provided by CCAQ both at the July 1987 and the July 1988 sessions were convincing in terms of significant increases in education costs; the Commission noted, in particular, that increases in education-related expenditures since the last revision of the level of the grant, in 1983, tended to be much higher than the level of inflation. In the case of tuition fees, the Commission noted that increases for relevant schools at the seven headquarters duty stations ranged from 21 to 121 per cent since the 1982/1983 school year (the reference period for the establishment of the current rates), as compared with inflation rates at the relevant locations ranging from 18 to 64 per cent over a comparable period. The Commission was of the view that the determination of the absolute level of the grant would necessarily involve some judgement. The Commission recognized, however, that even with the proposed increases, staff receiving the grant would still be absorbing at least 25 per cent of the cost of educating their children. Some members would have preferred data on education costs presented in a different format, for example, by calculating weighted averages rather than simple averages in the case of tuition fees or greater details on the kinds of schools being attended by the children of staff. Nevertheless, based on the data provided, the Commission was persuaded that the proposed 50 per cent increase was reasonable.

B. Dependency allowances

Views of the organizations

142. The Chairman of CCAQ stated that the organizations remained unanimous in support of a sizeable increase in the level of the dependency allowances for Professional staff, in view of the time elapsed since the last review (six years for the children's allowance and over a decade for the secondary dependant's allowance). The organizations noted the undesirability of revising a methodology that had been put in place on the occasion of the last review. Following lengthy discussions, however, CCAQ had decided to support an alternate method based on the weighted average percentage increase in the allowances at the seven headquarters duty stations since 1982, provided either the existing currency floor or the 12-month average exchange rate for the period ending on 30 April 1988, whichever was more advantageous to staff at the particular duty station, was applied. The organizations concluded that that was an equitable and reasonable approach and one fully consistent with their position on the education grant.

Discussion by the Commission

143. The Commission considered the relationship of the item to its forthcoming comprehensive review of the conditions of service of the Professional and higher categories. It noted that some of the issues considered, for example, the procedures used for determining the levels of the children's and the secondary dependant's allowance, would be covered by the comprehensive review. In that regard it agreed that it would approach the item from a short- and long-term perspective. With regard to the long term, it decided to include dependency allowance issues applicable to the Professional and higher categories in its comprehensive review of their conditions of service. In the short term, it decided that it should address all other relevant issues, for example, the amounts of the dependency allowances, noting that 6 and 11 years, respectively, had elapsed since the allowances had last been reviewed, during which time costs had increased considerably.

144. With respect to the determination of the amount of the children's allowance for the Professional and higher categories, the Commission reviewed the merits of the five alternative methods advanced by its secretariat. These consisted of using:

(a) The weighted average of tax abatements and payments under social legislation (local practice) with respect to one child at the seven headquarters duty stations (the current method);

(b) The current method, modified by using the average of three children instead of one child;

(c) The weighted average percentage increase in the local practice amount since the children's allowance was last reviewed in 1982 at the seven headquarters locations;

(d) A fixed percentage of net remuneration (net base salary plus post adjustment) at P-4, step VI, at every duty station, that percentage being the weighted average of the local practice amount expressed as a percentage of net remuneration at P-4, step VI, at the seven headquarters locations;

(e) The local practice amount in the comparator country expressed as a percentage of net remuneration at P-4, step VI.

After considering the strengths and weaknesses of each of the above methods, the Commission decided to focus its attention on methods (c) and (d) above.

145. With respect to method (d), the Commission noted that it would continue to reflect tax abatements and payments in respect of dependent children at all headquarters duty stations. Furthermore, the amount of the allowance would bear a direct relationship to net remuneration at each duty station, thus taking into account differences in cost of living between New York and all other duty stations. It would be immediately responsive to both cost-of-living and exchange rate changes, hence eliminating the need for currency floor measures. This approach paralleled the one used for the General Service and related categories and was relatively simple to administer. However, it would increase the difference in total cash remuneration between duty stations having a very high post adjustment and those having a very low post adjustment and exacerbate the difficulties experienced by the organizations in transferring staff from high to low post

adjustment locations. On the other hand, the Commission noted that more than 75 per cent of all children, including 66 per cent of those of school age, lived at the duty station. Therefore, most actual expenditures with respect to children occurred at the duty station and the variation could be justified in terms of equalising purchasing power. It was also noted that, since this method indexed the allowance to net remuneration, the allowance, and hence the costs, would rise automatically, without a separate review by the Commission.

146. With respect to method (c) above, the Commission noted that like method (d) this approach continued to take into account tax abatements and payments in respect of dependent children at all headquarters locations. However, rather than determining the allowance by weighting the dollar equivalents of the local practice amounts in local currency, as was done in 1982, the amount was obtained by calculating the average percentage increase in the local practice amounts expressed in local currency from the time of the 1982 review to 1 April 1988, weighted by the number of staff in the Professional and higher categories at each headquarters duty station. Using the latest available data, tax abatements and payments under social legislation at the seven headquarters duty countries had increased by 50 per cent, which if applied to the current allowance of \$700, would result in an allowance of \$1,050. Under this approach, changes resulting from modifications in the exchange rate between the local currency and the United States dollar would not affect the amount of the allowance; revisions in the amount of the allowance would be based solely on changes in local practice at the seven headquarters locations.

147. On the recommendation of the Commission, the General Assembly had introduced local currency floors for the dependency allowances effective 1 January 1979 (resolution 33/119) to prevent the erosion in purchasing power resulting from changes in the exchange rate between the local currency and the United States dollar. During the current review, the Commission noted that while the staff was protected from losses due to changes in exchange rates, they reaped the benefits of any gains. The Commission therefore decided that, should the floor be retained, a commensurate ceiling should be introduced that would freeze the allowance in local currency terms at a given rate of exchange.

148. Considerable discussion centred around the relative merits of various average exchange rates for purposes of converting the amounts in United States dollars into local currency to form the floor and the ceiling; none appeared acceptable at all duty stations owing to the fact that the currencies involved had not moved in parallel fashion vis-à-vis the United States dollar. While staff members at many duty stations had experienced significant gains, at a large number of others they had sustained considerable losses. The Commission therefore explored an alternative that would eliminate the requirement for a floor or a ceiling and would result in equitable allowances at all duty stations. This approach consisted of establishing the amount in local currency in those countries to which the RCF applied, and in United States dollars in all other countries.

CHAPTER XIV

CONDITIONS OF SERVICE IN THE FIELD

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

Views of the organizations

149. CCAQ supported the proposals of the working group. It also asked for the understanding of the Commission regarding the organizations' inability at the present time to provide the information requested by the General Assembly on the number of cases and related costs of the additional reimbursement for boarding costs. That information could be made available only in 1989 as the organizations were still processing claims for that entitlement.

Discussion by the Commission

150. The Commission reviewed the proposal for the revision of the scoring scheme and took note of the minimal impact on existing entitlements.

151. Regarding the proposals on the reimbursement of medical examinations for eligible dependants, the Commission considered that the percentage recommended provided for a more meaningful level of reimbursement, while at the same time recognizing that the organizations' responsibility for defraying the costs of medical examinations for dependants was less than that for staff members.

152. The Commission recalled that the criteria for entitlement to additional education travel had been established at its twelfth session and had been approved by the General Assembly at its thirty-fifth session. The Commission reviewed these criteria, noting that they were also used by the organizations to assess the adequacy of educational facilities at field duty stations for purposes of determining entitlements to the additional reimbursement for boarding costs. The Commission noted that the organizations were not yet in a position to report on the number of cases and related costs, but considered that they could provide that information by the end of October 1988, before the Fifth Committee of the General Assembly reviewed the Commission's annual report, so that the information could then be provided in an addendum.

CHAPTER XV

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

Recruitment policy: progress made in undertaking special measures for the recruitment of women

Views of the organizations

153. The Chairman of CCAQ stated that the days of making recommendations on a grand scale to the organizations had probably passed and that the monitoring of the implementation of such recommendations through a questionnaire was no longer appropriate. Most organizations had already committed themselves to improving the status and increasing the number of women in their secretariats. There was some progress to be reported from almost all organizations; the ICSC secretariat should take a closer look at what was actually going on. In any future papers on the subject, examples of successful initiatives taken by organizations should be highlighted. An analysis of the role of women on selection committees might, for example, prove interesting. If the Commission felt it necessary to address comments about slow progress, such comments should be referred to the executive heads of the organizations concerned, not to the governing bodies. CCAQ had difficulty in agreeing to the secretariat's recommendations concerning the establishment of focal points, although it could reaffirm the importance of commitment at the highest levels to the employment and promotion of women. CCAQ could accept the recommendation concerning contacts with national recruitment services, but only for organizations that already had such contacts; the recommendation regarding the amendment of personal history forms had already received CCAQ endorsement. CCAQ did not think it appropriate in terms of the recommendation to abolish staff rules prohibiting the employment of spouses against established posts or to ask organizations to repeal staff rules designed for other specific purposes. Nor would CCAQ agree to the ICSC secretariat's suggestion that special inter-agency courses be developed on attitudinal change. CCAQ had already agreed that such courses would more usefully be incorporated into other training activities.

Discussion by the Commission

154. While understanding the difficulties posed by retrenchment in many of the organizations, members of the Commission expressed disappointment at the lack of progress in improving the status of women since the last full report to the Commission in 1986. The Commission was particularly struck by the lack of women at levels P-5 and above, a deficiency that extended to both the organizations and the ICSC secretariat. It was noted that personnel management was a field where women were not lacking, and their absence from forums such as CCAQ raised a credibility gap, particularly in view of comments by those representatives of organizations who had spoken of their particular difficulties in recruiting for fields of work where few women were employed.

155. One member of the Commission regretted the elimination of the Office of the Co-ordinator for the Improvement of the Status of Women in the United Nations Secretariat. An exchange of views followed on what special efforts, if any, had been made within the ICSC secretariat to seek women for recent vacancies at high

levels. Members of the Commission felt that it might be necessary to reassess the qualification requirements in vacancy announcements to ascertain whether they were too narrowly defined.

156. With respect to the recommendation on the recruitment of spouses, one member was of the view that, particularly in the smaller organizations, the recruitment of spouses was not desirable and could pose problems; he was not opposed, however, to the continued employment of a staff member upon marriage to another staff member.

CHAPTER XVI

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation of the recommendations and decisions of the Commission

Views of the organizations and the staff representatives

157. The Chairman of CCAQ stated that for some organizations, temporary deviations from the recommendations and decisions of the Commission were related to financial crisis situations. These agencies had done their best to comply fully with the ICSC recommendations and decisions despite their financial difficulties, but had been obliged in some instances to resort to special measures. Much of the information on linked grades did not relate to linked grades as such, but to the practice of recruiting staff for an initial period of service at a level lower than the graded level of the post. That was done in cases where the qualifications or experience of the applicant were not sufficient to justify giving that level at the outset.

158. At the twenty-seventh session, the representative of UNIDO indicated that the Commission's recommendations at its July 1987 session on salaries and allowances for staff in the General Service and related categories at Vienna had all been implemented by UNIDO with the exception of the recommendation on the new salary scale for General Service staff as at 1 March 1987. The matter had been the subject of continuous review and consultations between member States, the UNIDO staff representatives and the Director-General. On 22 February 1988 an agreement had been reached with the staff representatives, which envisaged the implementation of new salary scales, including the interim adjustment due in March 1988, as at 1 April 1988. Such action would bring the salary scales of UNIDO staff in line with those applied by the other Vienna-based agencies.

159. The President of FICSA observed that the severe criticism levelled by the ICSC secretariat at WIPO for having maintained staff regulation 3.1 bis on the protection of take-home pay was further proof of the tendency to attack smaller organizations much more vigorously than larger ones for not implementing ICSC decisions. It was only after a strike call that the staff had obtained the agreement of the UNIDO management to implement the recommendations of the Commission on the General Service salary survey. All United Nations system staff at Vienna maintained that the recommendations of ICSC should be implemented in accordance with normal practice. The Commission was requested to take a firm stand on the seven-month delay in implementing the results of the Vienna General Service survey, which was entirely due to the financial and political crisis of the organizations.

160. CCISUA strongly appealed to the organizations to implement the decisions of the Commission equitably and on time. Deferment in the application of decisions had resulted in staff of the organizations enjoying different benefits and remuneration for the same work. CCISUA believed that the situation resulted in unnecessary concern among staff. It deplored the fact that the United Nations had not implemented the long-service step that had

been discussed by ICSC earlier. CCISUA supported the linking of grades at the P-3, P-4 and P-5 levels to attract staff of the required calibre from outside and assure them of career progression.

Discussion by the Commission

161. The Commission did not agree with FICSA's statement alleging that the secretariat tended to attack smaller organizations. ICSC had experienced difficulties with WIPO on the implementation of some of its decisions and recommendations. It noted the explanation by UNIDO to the effect that if the organizations had not been in a difficult financial situation they would have certainly implemented the Commission's recommendations on General Service salaries in a co-ordinated manner. In response to the point raised by CCAQ the Commission was informed that its secretariat had identified organizations as having linked grades only if staff remained for extended periods of time in the lower grade before being promoted to the higher grade without a change in duties. The Commission noted that ILO would be willing to re-examine its position on long-service steps on the basis of the outcome of the comprehensive review.

CHAPTER XVII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 18 OF ITS STATUTE

Security and independence of the international civil service

Views of the organisations

162. The Chairman of CCAQ noted the information provided by the ICSC secretariat in response to the request from CCISUA. CCAQ supported the conclusion that existing procedures applied in the cases of arrest and detention of staff were working reasonably well.

Discussion by the Commission

163. The Commission was encouraged by the fact that pressure exerted by the Secretary-General of the United Nations in cases involving the detention of a staff member last year had produced the desired effect. The Commission noted with concern however that, although procedures were laid down in the United Nations Security Handbook for seeking access to detained staff members, on several occasions timely access had not been allowed by the authorities involved.

Notes

- 1/ ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO and IAEA.
- 2/ GATT and IFAD.
- 3/ Official Records of the General Assembly, Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1), annex I.
- 4/ Ibid., Forty-second Session, Supplement No. 30 (A/42/30 and Corr.1), paras. 165-166.
- 5/ Ibid., Forty-first Session, Supplement No. 30 (A/41/30 and Corr.1 and 2), paras. 125-126, and ibid., Forty-second Session, Supplement No. 30 (A/42/30 and Corr.1), paras. 170-173.
- 6/ This request was made by the Commission at its March 1988 session. From 1 April 1988, all Vienna-based organizations were applying uniformly the same salary scales for staff in the General Service and related categories.
- 7/ Ibid., Forty-second Session, Supplement No. 30 (A/42/30 and Corr.1), paras. 167-169.
- 8/ Ibid., Fortieth Session, Supplement No. 30 (A/40/30 and Corr.1).
- 9/ Ibid., Forty-second Session, Supplement No. 30 (A/42/30 and Corr.1), paras. 83-87.

(October 1987-September 1988)

(as of May 1988)

Grade	United Nations, New York		United States, Washington, D.C.		Weights	Weighted net remuneration	United Nations/ United States ratio (United States, Washington = 100)	Weights for calculation of overall ratio <u>c/</u>
	Net remuneration <u>a/</u>	Grade	Net remuneration	per grade <u>b/</u>				
P-1/1	25 072	GS 9/1	19 797	100	19 797	126.6	2.8	
P-2/1	31 614	GS 11/1 GS 12/1	23 742 27 974	62 38	25 350	124.7	13.5	
P-3/1	38 055	GS 12/1 GS 13/1	27 974 33 058	45 55	30 770	123.7	23.1	
P-4/1	45 416	GS 13/1 GS 14/1	33 058 38 161	33 67	36 477	124.5	28.6	
P-5/1	54 554	GS 15/1 SES 2 SES 4	43 728 55 208 58 695	92 8	44 838	121.7	21.5	
D-1/1	60 032	GS 16/1 SES 1 SES 4 SES 5	50 340 53 147 58 695 60 169	6 13 75 6	57 561	104.3	7.8	
D-2/1	67 577	GS 17/1 <u>d/</u> GS 18/1 <u>d/</u> SES 4 SES 5 SES 6	55 347 55 347 58 695 60 169 61 573	7 9 50 29 5	58 730	115.1	2.7	

Weighted average ratio before adjustment for cost-of-living differential, New York/Washington: 122.0

Cost-of-living ratio, New York/Washington: 108.1

Weighted average ratio, adjusted for cost of living: 112.9 (margin)

a/ Includes post adjustment of eight months at class 7/+2 (multiplier 43) and four months at class 8 (multiplier 48).

b/ Based on published salary rates effective 1 January 1987 and 1 January 1988 for three months and nine months respectively (including bonuses and special awards where applicable).

c/ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 1986.

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

ANNEX II

Supplementary paymentsA. Responses received from Member States as at 1 July 1988 to the letters from the ICSC Chairman dated 26 May 1987 and 12 January 1988

Member State	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
Algeria	No		
Argentina	No	No	
Australia	No	No	
Austria	One case (housing)	No	
Bahamas	No	No	No
Barbados	No		
Belgium	No	No	No
Bhutan	No	No	
Botswana	No	No	No
Brazil	No	No	
Burkina Faso	No	No	
Canada	Two cases	No	
Cape Verde	No	No	
Colombia	No	No	
Comoros	No	No	
Cyprus	No	Yes a/	
Democratic Kampuchea	No	No	
Denmark	No	No	Yes b/
Egypt	No	No	
Ethiopia	No	No	
Fiji	No	No	No
Finland g/			
Germany, Federal Republic of	Yes	No	
Greece	No	No	
Guinea-Bissau	No		
Guyana	No	No	
Haiti	No	No	
Honduras	No	No	
Hungary	No	No	
Iceland	No	No	
India	No	No	No
Indonesia	No	No	No
Iraq	No		
Ireland	No	No	
Israel	No		

Member State	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
Italy	Referred to capital		
Jamaica	No	No	No
Japan	Yes		
Liberia	No	No	
Madagascar	No	No	
Malawi d/			
Malta	No	No	
Mauritania	No		
Mauritius	No	No	No
Mexico	No	No	
Morocco	No	No	
Netherlands	No	No	No
New Zealand	No	No	
Nicaragua	No	No	
Nigeria	No	No	
Norway	No	No	No
Panama	No	No	
Peru	No	No	
Philippines	No	No	No
Poland	No		
Portugal	No	No	
Qatar d/			
Rwanda	No		
Saint Vincent and the Grenadines	No	No	No
Saudi Arabia	No	No	
Sierra Leone	No	No	
Singapore	No	No	
Somalia	No	No	No
Spain	No		
Sweden	No	No	No
Switzerland (Permanent Observer)	No		
Trinidad and Tobago	No	No	No
Turkey	No	No	
Uganda	Referred to capital		
United Republic of Tanzania	No	No	

Member State	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
United States of America	Yes ^{a/}	No	
Venezuela	No	No	
Yugoslavia	No	No	
Zambia	No	No	

a/ For pensions of civil servants on unpaid leave.

b/ Associate experts and Junior Professional Officers.

c/ Made a general statement, but did not provide specific information.

d/ No staff members.

e/ On return to federal civil service; referred to as "equalization payments".

B. The following countries had not replied to the letters
from the ICSC Chairman as at 1 July 1988

Afghanistan, Angola, Antigua and Barbuda, Bangladesh, Belize, Benin, Bolivia, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Central African Republic, Chad, Chile, China, Congo, Costa Rica, Côte d'Ivoire, Cuba, Czechoslovakia, Democratic Yemen, Djibouti, Dominica, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, France, Gabon, Gambia, German Democratic Republic, Ghana, Grenada, Guatemala, Guinea, Iran (Islamic Republic of), Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Lesotho, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Mali, Mongolia, Mozambique, Nepal, Niger, Oman, Pakistan, Papua New Guinea, Paraguay, Romania, Saint Kitts and Nevis, Samoa, Sao Tome and Principe, Senegal, Seychelles, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Thailand, Togo, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, Uruguay, Viet Nam, Yemen, Zaire and Zimbabwe.

ANNEX III

Supplementary Payments

Responses received from organisations as at 1 July 1988
to the letters from the ICSC Chairman dated 11 May and
19 August 1987

Organisation	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
United Nations	No information available	No information available	
UNICEF	Yes	Yes	
UNDP	No information available	No information available	
UNRWA	Official data not available	No	No
ILO	No information available		
FAO	Carried out internal survey; no information resulted		Yes
UNESCO	Official data not available	No arrangement with any Government	
WHO	Carried out internal survey; no information resulted	Official data not available	Yes
ICAO	Official data not available	Official data not available	No
UPU	No information available		
WMO	Official data not available	Official data not available	No
IMO	No information available	No information available	
ITU	No information available	No information available	

Organisation	Supplementary payments	Deductions	Reimbursable or non-reimbursable loans
WIPO	No information available	No arrangement with any Government	
IFAD	No information available		
UNIDO	Official data not available		Yes
IAEA	Official data not available		Yes
GATT	Official data not available		
ITC/GATT	No information available	No information available	

ANNEX IV

Recommended net salary scale for language teachers in New York

(as at 1 December 1987)

(In United States dollars per annum)

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI a/
	28 330	29 350	30 370	31 390	32 410	33 430	34 450	35 470	36 490	37 510	38 530

a/ Long-service step.

ANNEX V

Recommended net salary scale for the General Service category
in Montreal

(as at 1 April 1988)

(In Canadian dollars per annum)

Grades	S t e p									
	I	II	III	IV	V	VI	VII	VIII	IX	X
1	12 175	12 741	13 307	13 873	14 439	15 005	15 571	16 137	16 703	17 269
2	13 295	13 913	14 531	15 149	15 767	16 385	17 003	17 621	18 239	18 857
3	14 518	15 193	15 868	16 543	17 218	17 893	18 568	19 243	19 918	20 593
4	15 854	16 591	17 328	18 065	18 802	19 539	20 276	21 013	21 750	22 487
5	17 312	18 117	18 922	19 727	20 532	21 337	22 142	22 947	23 752	24 557
6	18 905	19 784	20 663	21 542	22 421	23 300	24 179	25 058	25 937	26 816
7	20 644	21 604	22 564	23 524	24 484	25 444	26 404	27 364	28 324	29 284
8	22 544	23 592	24 640	25 688	26 736	27 784	28 832	29 880	30 928	31 976
9	24 618	25 763	26 908	28 053	29 198	30 343	31 488	32 633	33 778	34 923