



**REPORT
OF THE
SPECIAL COMMITTEE FOR THE REVIEW
OF THE UNITED NATIONS SALARY SYSTEM**

Volume I

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-SEVENTH SESSION

SUPPLEMENT No. 28 (A/8728)

UNITED NATIONS

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New York, 1972

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.

Annexes VII–XIII to the report are contained in volume II.

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LETTER OF TRANSMITTAL

7 July 1972

Dear Mr. Secretary-General,

I have the honour to submit herewith, for transmission to the General Assembly at its twenty-seventh session, the final report of the Special Committee for the Review of the United Nations Salary System set up in accordance with General Assembly resolution 2743 (XXV) of 17 December 1970.

I would like to place on record the gratitude of all members of the Special Committee for the dedicated and indefatigable service rendered by the secretariat you have assigned to the Special Committee, as well as by the many staff members who have in one way or another assisted it in carrying out its task.

Yours sincerely,

(Signed) S. K. Roy
Chairman,
Special Committee for the Review of the
United Nations Salary System

Mr. Kurt Waldheim
Secretary-General
United Nations

INTRODUCTION

Establishment of the Committee

1. It is of significance to the assessment of the mandate entrusted to us by the General Assembly, in its resolution 2743 (XXV) of 17 December 1970, that our Committee was established at the initiative of the Fifth Committee. In contrast, the previous two salary review committees, the first of 1949 and the second of 1956, came into being as a result of proposals agreed upon by the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions. This difference in origin has influenced both our conception of the review and its actual conduct.

2. The proposal to set up a committee of experts nominated by Governments to undertake the review grew out of the Fifth Committee's consideration of a recommendation 1/ by the International Civil Service Advisory Board (ICSAB), endorsed by the Secretary-General, for an 8 per cent increase in gross salaries for staff in the professional and higher categories, to take effect on 1 January 1971. In examining the recommendation, the Fifth Committee had before it a report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), 2/ which proposed that since the existing method of setting salaries contained a number of anomalies and imperfections, the United Nations salary system should be the subject of an urgent review by the Board, and that the salary increase should in the meantime be applied with effect from 1 July 1971, on the understanding that no further salary adjustment would be made until the review had been completed and its results approved by the General Assembly. The Fifth Committee concurred both in the proposal that a thorough review of the salary system should be undertaken, with the modification that it should be done by a special committee of experts designated by Governments, and in the proposal that the salary increase should become effective on 1 July 1971.

3. On the basis of the Fifth Committee's recommendation, the General Assembly accordingly decided, by resolution 2742 (XXV) of 17 December 1970, that the salary scale for the professional and higher categories should be revised with effect from 1 July 1971 and that no further adjustment of those scales should be made until such time as the review called for in resolution 2743 (XXV) had been completed and its results approved.

1/ Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 73, document A/C.5/1303, annex I.

2/ Ibid., Twenty-fifth Session, Supplement No. 8A, document A/8008/Add.3.

4. In the latter resolution, the General Assembly decided:

"to establish a Special Committee for the Review of the United Nations Salary System, consisting of government experts from eleven Member States to be nominated by the President of the General Assembly with due regard to geographical balance, it being understood that these States will nominate individuals of recognized standing and experience to serve on the Committee."

5. At the 1933rd plenary meeting, on 17 December 1970, the President of the General Assembly announced that he had nominated the following Member States in pursuance of the above resolution: Argentina, France, India, Japan, Niger, Nigeria, Peru, Poland, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland and United States of America. The General Assembly confirmed these nominations.

6. The eleven Governments designated the following as members of the Committee:

Mr. Zakari M. Bello (Nigeria)
Mr. Masao Chiba (Japan)
Mr. Zbigniew Dembowski (Poland)
Mr. Oscar R. Faura (Peru)
Mr. A.H.M. Hillis (United Kingdom)
Mr. Dayton W. Hull (United States of America)
Mr. K. A. Mariko (Niger)
Mr. Guillermo J. McGough (Argentina)
Mr. P. Robert-Duvilliers (France)
Mr. S.K. Roy (India)
Mr. Aleksei V. Zakharov (USSR)

7. Mr. Dembowski was subsequently replaced by Mr. Jan Chowaniec (from 5 July 1971), Mr. McGough by Miss Ruth Guevara Achaval (from 18 January to 7 April 1972), Mr. Robert-Duvilliers first by Mr. Michel Maler (from 15 July to 24 August 1971) and then by Mr. Jules Milliez (from 18 February 1972), and Mr. Zakharov by Mr. A.G. Koulazhenkov (from 18 January 1972).

Scope of the review

8. Our terms of reference, as set out in paragraph 2 of the resolution, call for "a thorough review of the long-term principles and criteria which should govern the whole United Nations common system of salaries, allowances, grants, superannuation and other benefits". Among the specific matters on which we are required to report our conclusions and recommendations, the resolution lists the following:

- "(a) the structure of categories and grades which will best enable the international civil service to discharge its functions with efficiency and **reasonable economy**;
- (b) the base of the system;
- (c) the principles which should govern the establishment of the salary scales and other conditions of service for the various categories;

- (d) The level of salaries and allowances, and the fringe benefits for the various grades;
- (e) Such other matters concerning the system as it may deem relevant".

9. We have interpreted these terms of reference as covering the whole range of conditions of service in the common system. Some members, however, felt that we should concentrate initially at least, on the major area of what should be the desirable level of emoluments. The decisive factor was the shortage of time. Early in our deliberations it became clear to us that it was not going to be possible to delve deeply into every subject in our terms of reference. Accordingly, while not undervaluing the importance of these other matters, we had in the end to devote most of our time to what turned out to be the stubborn problems of basic professional remuneration.

10. Thus, while recognizing that the immediate concern of the General Assembly was to remove the serious anomalies which had been shown to arise in the application of the system of establishing salaries for staff in the professional and higher categories - a matter falling within the competence of the General Assembly itself - we have included in our review the working of the existing principle for setting the salaries of staff in the General Service Category - a matter coming under the authority of the Secretary-General, but also referred to in the preamble of the resolution.

11. Similarly, we have inquired into certain aspects of the pension arrangements. This seems to us to be in accord with the intent of the resolution even though the word used in it is "superannuation" which is open to a different construction. In delimiting our study of pension matters, we have taken into account the explanatory statement given by the sponsors of the proposal to establish our committee. That statement made it clear that while the operation of the pension scheme remained the responsibility of the Joint Staff Pension Board, our Committee would be free to deal with those pension matters which directly affected conditions of service in the United Nations. We have accordingly concerned ourselves with the age of retirement, the level of pensionable pay and two specific issues relating to the pension rights and social security benefits. Some of us placed a broader interpretation on our mandate. Their position is indicated in the body of the report.

12. Most of the first two months of our work was devoted to seeking information on the structure of the secretariats, their recruitment standards and methods, training and career development programmes, policies in regard to permanent and fixed term appointments, and the adequacy or otherwise of existing emoluments. We also sought and obtained views on the size of the staff, their proper utilization and the system of personnel reporting and promotion.

13. We have throughout been aware that salaries and allowances alone, however generous they may be, will not attract talented people unless their selection and promotion procedures are effectively organized on the most modern lines. We also recognize that job satisfaction and the component of idealism and commitment to the purposes of the United Nations are significant factors in obtaining the right applicants for service with the United Nations. We are sorry to note that there were no proposals from the executive heads before us on personnel matters. Shortage of time makes it impossible to reflect fully our considered opinions. We have, however, put forward some conclusions which emerged from the views of members as they developed during the course of our long and detailed discussions in the first session of our work.

Conduct of the review

14. We began our work on 1 June 1971 at the Headquarters of the United Nations in New York. We elected Mr. Roy as Chairman of the Committee, Mr. Faura as Vice-Chairman, and Mr. Mariko as Rapporteur. We held meetings in New York until 1 July, then at the Headquarters of the World Health Organization in Geneva from 5 to 29 July and again in New York from 9 to 24 August 1971.

15. In the absence of any proposals for changes in the salary system, we directed our attention to the study of the system in its current application on the basis of background papers prepared by the Secretariats of the United Nations, the specialized agencies and IAEA. We also held hearings for the purpose of obtaining the preliminary views of the executive heads of the organizations and of their senior officials, of representatives of individual staff associations and of the Federation of International Civil Servants' Associations. In addition, we had extensive discussions with a member of the Joint Inspection Unit who had prepared a report on personnel problems in the United Nations. In all, 49 of the first 91 meetings were devoted to hearing 73 representatives of organizations and staff associations.

16. During our first session we initiated three special inquiries, two of which were to be carried out by consultants. The first was designed to provide us a comparison of the United Nations salaries and allowances with those of the civil services of the seven countries in which are located the headquarters of the organizations (Austria, Canada, France, Italy, Switzerland, United Kingdom and United States of America). The second concerned the concepts underlying the system of post adjustments applied to salaries to compensate for cost of living variations and the methods used in conducting comparative cost of living surveys. The third inquiry was intended to obtain information on the salaries, allowances and benefits received by officials serving with diplomatic missions in the seven headquarters countries and in three additional countries which are hosts to the regional economic commissions.

17. We concluded our first session by adopting an interim report 3/ to the General Assembly at its twenty-sixth session.

18. On 18 January 1972 we resumed our work in New York where we met until 7 April, and again from 22 May to 1 June. The final part of our session took place at the Headquarters of WHO in Geneva from 5 June to 7 July 1972. One hundred and twenty-six meetings were held during the second session.

19. At the 1972 session, we had before us five substantive replies from governments setting out their views on the salary system, a collective submission by the executive heads of the organizations as well as supplementary or separate replies from individual executive heads, a paper submitted by FICSA, several papers from individual staff associations, the two studies of the consultants, a compilation of the data provided in response to the questionnaire on salaries, allowances and benefits received by officials in diplomatic missions and a series of papers containing statistical and

3/ Ibid., Twenty-sixth Session, Supplement No. 28 (A/8428).

other information prepared at our request by the Secretariat of the Committee. Much of this documentation was available in the four working languages of the Committee when we reconvened in January or soon thereafter, but an essential part of it was not available until February-March. We thus were unable to reach **conclusions on the various elements** making up the salary system by the end of the first part of the session. We proceeded to work on this in May and were unable to agree on conclusions and recommendations until the end of June.

20. Throughout our proceedings we have striven to reach a consensus on the kind of modifications that should be made in the salary system to adapt it to the present conditions. As agreed at the very outset of our review, this procedure was intended to ensure that whatever proposals emerged at the end of our deliberations commanded broad support among the members of the Committee. It was further agreed that individual members would still be free to express their dissenting views and to have them included in the body of the report should they feel strongly about any particular proposal. In the event, it has proved difficult to achieve the desired consensus. Therefore, many conclusions and recommendations reflected majority views. The reservations or dissenting views of individual members are indicated both in the summary and in the body of the report. The full text of a dissenting statement by four members is given in annex I. A separate opinion by one member is given in annex II.

21. In response to a request by the Secretary-General, we provided the provisional text of our conclusions and recommendations that we had agreed upon at our meeting of 22 June to the executive heads of the organizations in the common system, the Chairman of CCAQ and the President of FICSA. In transmitting this text, we indicated that we would appreciate the opportunity of meeting with them in order to benefit from any comments they might wish to make on our conclusions and recommendations before they were adopted in final form.

22. By letter dated 30 June, the Secretary-General informed us that in view of the late date on which the conclusions were received and the many important and complex matters involved, there was too little time for the executive heads to examine and discuss such wide-ranging proposals and to reach a balanced view on their merits and possible long-range consequences. In the circumstances, he indicated that the executive heads preferred to await our full report on the basis of which they would make their views available to the General Assembly.

23. We received a similar communication from the Chairman of CCAQ.

24. At our meetings on 30 June and 3 July, we heard comments on our conclusions and recommendations from the President of FICSA who, dissatisfied with our replies, withdrew from the second meeting.

25. Our conclusions are critical of a good many aspects of the salary system as it now operates. In bringing out these deficiencies, we hope to spur all concerned into remedial action. The United Nations, the specialized agencies and IAEA are vital instruments of international co-operation. The ideals enshrined in the Charter of international peace and security, of economic and social betterment for all peoples of the world, require that these instruments remain responsive to the changing conditions. The fact

that our Committee sprang out of a debate on a proposed salary increase is to us clear evidence that many Member States entertain doubts whether this is the case. The salary system now in force was set up when the United Nations had less than half its present membership. Member States wish to be reassured that the resources placed at the disposal of the international organizations are used wisely. Our review of the salary system, the conclusions we have reached, and the recommendations we make are intended to meet that wish and to provide compensation and conditions of service which are fair to the three parties concerned: the Member States, the administrations and the staff.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Conclusions^{4/}

1. There is no ready alternative to the present practice of establishing the salaries for staff in the professional and higher categories by reference to the highest national salaries.
2. Present United Nations compensation for professional staff is too high by any national standard.
3. Present professional staffs salary scales are set at a level which assumes that members are subject to transfer and are expatriate. Yet more than half never serve at more than one duty station and 10.4 per cent are serving in their home country.
4. Present United Nations net emoluments consisting of basic salary less staff assessment plus New York post adjustment and spouse allowance are from 18.6 per cent to 35.2 per cent higher than the net United States Government salary for a married man without children working in New York.
5. United Nations basic salary scales for professional staff range from twice as high to three and four times higher than salaries paid in national home civil services in the five European headquarters cities.
6. Grade P-4 comprises more than one quarter of the United Nations staff. When compared to United States pay scales using traditional matching points, the ratio today to the United States Government scale is 123.1. This ratio was 108.7 prior to convening the 1956 Salary Review Committee. The 1956 Committee recommended rates that increased the ratio to 115, the General Assembly in 1957 raised the ratio to 120, and by 1971 actions of the General Assembly had raised the ratio of this grade to 130. A 1972 United States Government salary increase has now reduced the ratio to the present 123.1.

^{4/} Mr. Hillis, Mr. Mariko, Mr. McGough and Mr. Milliez enter a reservation on the following conclusions: 1-8, 10-12, 16, 17, 19, 21, 22 and 23. In their view these conclusions are selective in the use of facts, deficient in their assessment and, therefore, distort the situation.

7. With improved recruitment and career development plans a ratio to United States Government pay scales of approximately 115 in New York will be sufficient to attract and retain United Nations staff of high competence and appropriate geographic distribution. 5/

8. If the ratio of 115 is sufficient in New York, the operation of the post adjustment system will make the pay sufficient at all other locations. 5/

9. (a) The principle of establishing the salaries and benefits of staff in the General Service category by comparison to the conditions of employment in the locality remains valid. In applying this principle, however, the organizations have produced such disparities in the salary structures at the headquarters duty stations as to point to defects of method.

(b) These disparities have tended to produce in some cases higher than necessary levels of pay.

10. The age of mandatory retirement of United Nations personnel is the same or lower than in all headquarters countries, and the present pension provisions of the United Nations system are generous and compare favourably to provisions of the national services of all headquarters countries. However, some features of its financing have raised questions which require a more detailed study by a competent body.

11. The post adjustment system automatically compensates United Nations professional staff for each 5 index points rise in cost of living so that occasional base pay increases for professional staff need not be of the magnitude characteristic of pay systems in national services or of the General Service staff pay system which do not have automatic cost of living adjustments.

12. There are a number of flaws in the workings of the present post adjustment system which provide apparently unjustified increases in emoluments. For example, changes on the basis of five index points instead of five percentage points, use of statistical formulae that provide higher than necessary post adjustments, exclusion of any portion of salary not affected by high local costs, such as personal savings, and other similar features.

13. One organization, by not applying minus post adjustments where they are due, undermines the concept of equal pay under the common system.

14. The percentage of higher grade personnel in the United Nations has risen alarmingly. Specifically, D-1 and D-2 positions now constitute 10.7 per cent of United Nations staff, up from approximately 5 per cent when the 1956 Salary Review Committee met.

5/ Mr. Chiba enters a reservation on this conclusion for the reasons given in appendix C to chapter III.

15. Although the concept, composition and structure of the international civil service make it a distinct service, much of what its members do is like the work done by officials in national administrations. However, the circumstances in which they carry out their duties, the standards of conduct they must observe in relation to States Members of the organization they serve, and the privileges and immunities that have been conferred upon them in the independent exercise of their functions represent features of a special nature.

16. The present grade structure which groups the staff in two main categories, General Service and professional, according to the nature of work they perform, is sound. We do not believe that any change in this structure would better enable the United Nations, specialized agencies and IAEA to meet their current and expected manpower requirements.

17. Management techniques have not kept pace with modern developments in such fields as promotion policies, planned career development, periodic efficiency reports, job classification, grading standards, staffing control, and other similar matters essential to ensure efficiency and reasonable economy.

18. The United Nations common system has over the years achieved a considerable degree of uniformity of administrative practice. The procedures it applies in reaching co-ordination by consent among 12 constitutionally independent organizations are, however, cumbersome and inefficient.

19. United Nations staff receive allowances and fringe benefits amounting to 25 per cent of United Nations payroll. Hours of work are generally shorter and leave periods are longer than those provided by highly industrialized nations.

20. The allowances for dependents, for education of children, for assignments to new duty stations, and the indemnities payable on termination of appointment need adaptation to current conditions. Other allowances and benefits appear to be generally satisfactory. 6/

21. When effective recruitment methods are used there seems at present to be no difficulty in obtaining qualified candidates even from the highest paying countries.

22. There was evidence that the organizations are overstaffed, and that sometimes posts are graded higher than justified by the responsibility involved.

23. The age structure of the United Nations is unbalanced as only 4.6 per cent of professional staff are under 30 and 71.6 per cent are over 40. The educational qualifications of the staff are sometimes above those required for the tasks performed but at United Nations Headquarters many lack even a first degree. Also not enough personnel know more than one United Nations official language, and discipline seems below the required standard.

6/ Mr. Koulazhenkov enters a reservation on this conclusion on the ground that there is no justification in changing existing allowances.

Recommendations^{7/}

I. The international civil service

24. (a) Privileges and immunities. The application of article VII of the Convention on the Privileges and Immunities of the United Nations concerning the use of the United Nations laissez-passer for travel on official business should be examined by the Secretary-General with a view to submitting to the General Assembly appropriate proposals for its consideration.

(b) Structure. Pending a study of the nature of the posts used for the employment of "local professionals" in certain programmes of the United Nations, to be carried out by the proposed intergovernmental civil service commission, the practice of recruiting such staff for local service should be maintained, provided that all future appointments are granted on a fixed-term basis.

II. The common system

25. (a) Uniformity and flexibility. The staff regulations of the United Nations, to be revised by the proposed intergovernmental civil service commission, should provide a framework within which to define the essential elements of the common system which should be applied generally.

(b) Appointment, composition and functions of the proposed intergovernmental civil service commission ^{8/}

(i) The commission should be established by the General Assembly as an organ entrusted with the regulation and co-ordination of the conditions of service of the United Nations common system;

(ii) The commission should consist of 13 members, appointed by the General Assembly, including a full-time chairman and one or two full-time members, if the General Assembly deems this additional membership necessary;

(iii) The members of the commission should be selected on the basis of broad geographical representation, personal qualifications and experience in national or international administration;

^{7/} Mr. Hillis, Mr. McGough and Mr. Milliez dissent from recommendations 25 to 28, Mr. Mariko from recommendations 26 to 28. Their views on the salary system are set out in annex I.

^{8/} Mr. Hull joins Mr. Hillis, Mr. McGough and Mr. Milliez in dissenting from the majority recommendation on the appointment and composition of the commission.

(iv) The commission should be responsible for the formulation of recommendations to the General Assembly on the salaries of staff members in the professional and higher categories, on allowances and benefits and on the conditions of entitlement thereto. It should develop grading standards for the United Nations common system as a whole and supervise their application, establish standards of recruitment and co-ordinate staff training and career development, and secure for the organizations of the United Nations family staff of the highest standards of efficiency, competence and integrity, due regard being paid in the recruitment of the staff to the principle of equitable geographical distribution;

(v) The commission may invite the chief administrative officers of the organizations in the common system or their representatives and representatives of the staff associations to present their views and assist it in its deliberations;

(vi) The seat of the commission should be in Geneva. The commission, however, may meet at another headquarters of an organization in the United Nations common system whenever it considers it desirable;

(vii) The commission should have an appropriate staff assigned to it;

(viii) The commission should submit to the General Assembly an annual report on its work.

(ix) The Commission would replace such existing inter-agency organs for co-ordination as International Civil Service Advisory Board (ICSAB) and Consultative Committee on Administrative Questions (CCAQ). As for the Expert Committee on Post Adjustment (ECPA), it should become a subsidiary organ of the Intergovernmental Civil Service Commission.

III. The salary system for staff in the professional and higher categories

26. The guiding principle

(a) In accordance with the concept of a unified civil service embodied in the Charter, the staff recruited for international service should be subject to a single scale applied universally;

(b) The single salary scale should be established on the basis of relevant national practice so as to ensure that an outside point of reference is used for periodic pay adjustments;

(c) By reason of its job-oriented nature, extensive classification system and long relationship with the United Nations salary system, the federal civil service of the United States provides at present the only acceptable point of reference for United Nations salary determinations;

(d) The United Nations basic remuneration must be sufficient to recruit and retain staff from all countries, including staff from countries having the highest salaries. Since the overwhelming majority of the staff so recruited serve away from their own country, their basic remuneration must be established at a level somewhat above that of the United States federal civil service for comparable work. The basic remuneration in New York should continue to be comprised of base salary, post adjustment and spouse allowance, but the three components taken together should not be more than 15 per cent above United States federal pay and the base salary itself should be within the range of 75 to 85 per cent of United States federal pay, all components of the remuneration being expressed in net terms. 9/

27. The base of the system. The base of the United Nations salary system, that is the city (a) where the basic remuneration is established at a level deemed sufficient to attract and retain staff from all countries and (b) that is used as a point of reference for determining post adjustments at the various duty stations to compensate for cost-of-living differences, should be New York, instead of Geneva.

28. Basic remuneration

(a) Salary scales

(i) The salary scales approved by General Assembly resolution 2742 (XXV) of 17 December 1970 for application with effect from 1 July 1971 should remain unchanged until the ratio of United Nations basic remuneration in New York at P-4, step V, to United States salary in New York, at GS-14, step 1, now at 123.1, has dropped below 115; or until 1 January 1975, whichever is earlier; 10/

(ii) For the purpose of the initial determination of the United Nations/United States ratio, United Nations basic remuneration, i.e. net salary, post adjustment and spouse allowance, should be compared with the United States net salary for a married official with no children;

(iii) Subsequent determinations of the United Nations/United States ratio should be made by using the United Nations basic remuneration as defined in paragraph 26(d) above and by linking such grades in the United Nations and United States salary structures as may be found equivalent by the proposed intergovernmental civil service commission;

(iv) With effect from 1 January 1975, or such earlier date as the General Assembly may decide, the net salary scales for staff in the professional and higher categories should be revised in accordance with the indices shown in appendix D to chapter III.

9/ Mr. Chiba dissents from the majority recommendation for the reasons stated in appendix C to chapter III.

10/ Mr. Koulazhenkov considers that the most effective means of achieving that ratio would be to freeze both the base salaries and the post adjustment.

(b) Post adjustment^{11/}

(i) The present post adjustment system should be continued for the time being in the absence of an agreed upon alternative;

(ii) The principle of uniform application of the rules governing the post adjustment requires that when minus post adjustments are established because of unusually low cost-of-living conditions, they must be applied without exceptions;

(iii) A change in the classification of a duty station in the schedule of post adjustments should take place when the cost-of-living has moved by 5 per cent in relation to the preceding class, rather than in relation to the base 100, i.e., 5 percentage points and not 5 index points as at present;

(iv) The post adjustment system itself must be thoroughly re-examined. We suggest that the General Assembly commission an immediate study by experts of the concepts basic to the system with particular attention to

- (1) the feasibility of instituting a system without automatic increases at the base and compensating for changes in the cost-of-living at all other duty stations only in relation to changes at the base;
- (2) the appropriateness of the present statistical formulae that are being used and that may unjustifiably be providing higher post adjustments than necessary;
- (3) the methods of conducting comparative cost-of-living surveys in relation to the base;
- (4) the points listed in subparagraphs 179 (d), (e) and (f).

IV. The salary system for staff in the General Service category

29. (a) The guiding principle. The remuneration and conditions of service of locally recruited staff in the General Service category should compare favourably with those of outside local staff employed in broadly comparable work.

(b) Salary scales. Each organization should re-examine its existing pay structure with a view to applying the following criteria in the establishment of General Service salary scales:

^{11/} Mr. Hull, while accepting the view of the majority that the basic concepts of the post adjustment system needed re-examination, nevertheless feels that the Committee should have endorsed several of the specific proposals put forward in the Frochaux report, as set out in paragraph 181.

(i) There should be a spread within each grade of about 30 to 40 per cent, so that those remaining in a single grade can have a modest advancement over a period of years;

(ii) Step increments should be from 2 to 4 per cent, with the larger percentage of increment in the lower grades;

(iii) There should be limited overlap between grades, step 5 or 6 in a 10-step scale usually overlapping with step 1 in the next higher grade.

(c) Surveys. At duty stations where reliable statistical data on outside employment are not available, the existing practice of surveying outside employment should be continued. Surveys should normally involve 25 to 30 local employers (including the local national service). Rates paid for 10 to 15 jobs broadly comparable to those of the General Service category should be assembled and the 75th percentile rates for each job should be used.

(d) Interim adjustments. Between surveys one interim salary adjustment might be made on the basis of spot checks in rates of pay for key jobs, since cost-of-living or wage indicators are often inappropriate for such adjustments. The post adjustment index should not be used for this purpose.

(e) Grade and pay structure. The proposed intergovernmental civil service commission should be entrusted with the task of examining the grading and salary scales in each of the headquarters locations with regard to levels of responsibility, within-grade advancement and career progression.

V. Allowances and benefits

30. (a) Dependency allowances.^{12/} The following changes should be put into effect from the date of application of the new salary system for staff in the professional and higher categories.

(i) Children's allowance. The allowance of \$300 per annum, which has been in effect since 1 January 1957 and is paid to staff of the professional and higher categories for each dependent child at all duty stations irrespective of cost-of-living differences, should be adjusted by 10 per cent differentials for each 2 classes of post adjustment. No differential should be applied to the allowance at those duty stations where the salaries are subject to a deduction of post adjustment.

(ii) Allowance for secondary dependant. The allowance of \$200 per annum, which is paid for only one secondary dependant where no allowance is paid for a dependent spouse, and has also remained unchanged since 1 January 1957, should be adjusted in the same manner as for children's allowances.

^{12/} Mr. Bello, Mr. Chiba, Mr. Chowaniec and Mr. Koulazhenkov consider that all family allowances should continue to be applied on a flat rate basis as at present.

(b) No change should be made in the method of establishing the rate of dependency allowances for staff of the General Service category on the basis of local practice.

(c) The existing limitation, under which an allowance for a secondary dependant is paid to a staff member only if he is not paid a spouse allowance, should be observed by all organizations.

31. Education grant

(a) Amount of the grant. The amount of the grant should be 75 per cent of costs of attendance at a school or university up to a maximum of \$1,500 a year per child, instead of the present \$1,000. 13/ 14/

(b) Where the grant is payable for more than one child of a staff member, the costs of attendance may be lumped together for the purpose of applying the 75 per cent reimbursement condition to the total costs of attendance.

(c) Conditions of entitlement. The grant should be payable in respect of attendance at a school or university up to the end of the fourth year of university education or until the award of the first recognized degree, if this is sooner. The existing exclusion of university education in the country of the duty station from the conditions of entitlement to the grant should accordingly be discontinued. 15/

(d) Date of application. The revised conditions of the education grant should be applied with effect from 1 January 1973. 16/

32. Assignment allowance

(a) Purpose of the allowance. The allowance should continue to be paid as compensation for non-removal of household effects in cases where a staff member is assigned to a duty station for a specified period, except that,

13/ Mr. Koulazhenkov notes that the expenditures incurred in 90 per cent of the cases reported do not involve payment of the present maximum of \$1,000 and, therefore, there was no ground for increasing the maximum.

14/ Mr. Bello feels that the maximum grant should be increased to \$1,200.

15/ (i) Mr. Chiba and Mr. Koulazhenkov feel that the grant for attendance at a university in the country of the duty station should be reduced by one half in view of the principles underlying the grant.

(ii) Mr. Koulazhenkov does not favour changing the present age limit provisions of the grant.

(iii) Mr. Hull believes that there should be some upper age limit and considers that age 22 would be reasonable.

16/ Mr. Bello, Mr. Chiba, Mr. Chowanec, Mr. Hull and Mr. Koulazhenkov take the view that the effective date for the implementation of all the recommendations should be the date on which the new salary system for staff in the professional and higher categories is introduced.

- (i) instead of being applied at the same rates at all duty stations, it should in future consist of two rates: a reduced rate for headquarters and comparable duty stations as determined by the executive heads of the organizations and a higher rate for all other duty stations;
 - (ii) at headquarters and comparable duty stations, the allowance should be paid for assignments of less than two years; at all other duty stations it should be paid for the duration of the assignment;
- (b) Rates of the allowance. 17/ With effect from 1 January 1973, 18/ the rates of the assignment allowance should be revised as shown in paragraph 331.
- (c) Study of the conditions for the allowance. The criteria for the differentiation between duty stations for the purpose of applying the assignment allowance should be studied by the proposed intergovernmental civil service commission.

33. Termination indemnity^{19/}

- (a) The existing scale of indemnities payable in cases of termination of an appointment, which has been in effect since 1946 and now results in inequities between
- (i) staff members whose permanent appointment is terminated after long service as compared to those with shorter service;
 - (ii) staff members of long service who hold fixed-term appointments as compared to those with permanent appointments; and
 - (iii) staff members whose appointment is terminated through no fault of their own as compared to those whose appointment is terminated for unsatisfactory service or misconduct,

should be revised as set out in paragraph 340.

34. Other allowances

- (a) Language allowance for General Service staff
- (i) The allowance should be paid only for knowledge of a second or third official language of the organization concerned.
 - (ii) The amount of the allowance, which is now set at a level representing 5 per cent of step I of the net scale for a bilingual secretary at the duty station, should be revised when the salary scale has increased by 10 per cent.

17/ Mr. Hillis enters a reservation on the proposed rates of the assignment allowance.

18/ See foot-note 13 on preceding page.

19/ Mr. Chiba, Mr. Ghowaniec, Mr. Hull, Mr. Koulazhenkov and Mr. Roy dissent from the proposal to increase the maximum indemnity to 18 months' pay. They provide alternative scale in paragraph 343.

(b) Language incentives for staff in the professional and higher categories

When the General Assembly, at its twenty-eighth session, considers the report of the Secretary-General on the application of the language incentives for staff in the professional and higher categories, established under resolution 2480 B (XXIII) of 21 December 1968, it may wish to take into account the following conclusions we have reached in the course of our review of the salary system:

- (i) In view of the importance of salary scales to the operation of the common system and bearing in mind the inhibiting effect that the use of shorter incremental periods in the United Nations has on staff mobility, it would be better to institute a language bonus in place of the existing arrangements.
- (ii) In granting any benefit to staff members who have demonstrated knowledge of a second official language, the mother tongue of the staff member should in no case be counted as one of the two official languages.
- (iii) Whatever incentive is ultimately decided upon should be applied throughout the common system.

(c) Non-resident's allowance. The amount of the allowance in relation to the purpose for which it was established, i.e. to provide a supplement to salary at a given duty station sufficient to recruit staff from outside the country of the duty station for posts in the General Service category which cannot be filled by local recruitment, should be studied by the proposed intergovernmental civil service commission. Specifically, the study should cover (i) the marked variations in the amount of the allowance between the headquarters duty stations; (ii) the persistently high level of the allowance at some duty stations despite the rise in salaries in recent years; and (iii) the definition of "non-resident" for the purpose of the allowance.

(d) Home leave

- (i) The two-year home leave cycle should be applied to all staff irrespective of the nature of the conditions prevailing at the various duty stations. The practice followed by one organization of granting such leave at the end of eighteen months in "difficult" duty stations should therefore be discontinued.
- (ii) The time allowed for official travel on home leave, whether by air or by surface means of transportation, should be determined on the basis of the air travel time required to go from the duty station to the staff member's home country. The practice of granting up to 30 days' travel time, which is still allowed in one organization, should accordingly be discontinued.
- (iii) Notwithstanding the definition of a dependent spouse for other purposes, a staff member entitled to home leave should be granted travel expenses in respect of his or her spouse in the same manner as is now done when he or she travels on appointment, transfer or separation.

(e) Installation grant. The grant, which is designed to compensate for the extra costs of temporary lodgings and related expenditures incurred by a staff member during his initial period after arrival at the duty station, and which at present is based on a distinction between duty stations according to the ease or difficulty of finding permanent living accommodation, should be reviewed by the proposed intergovernmental civil service commission.

(f) Mode and standard of travel

(i) Travel by air. The standard of accommodation for travel by air on official business should be economy class. The executive head of an organization and such senior officials accompanying him as he may designate should be provided with first class accommodation.

(ii) While the normal mode of official travel should be by air, the executive head of an organization may authorize travel by sea on appointment, transfer, home leave and separation, provided that the allowable travel time is limited to the time required for travel by air.

(g) Repatriation grant. The grant, which is payable to a staff member who is entitled to be repatriated at the expense of the organization when he separates from the service, and the rates of which vary according to the staff member's dependency status and length of service, should be reviewed by the proposed intergovernmental civil service commission.

VI. Retirement, pensions and the United Nations Joint Staff Pension Fund

35. (a) Age of retirement^{20/}

(i) The retirement age of 60 years should be maintained for all organizations.

(ii) Yearly extensions beyond the age of sixty, at the option of the staff member, may be granted in cases where the value of the staff member's services has been clearly established, but not beyond two.

(iii) Extensions beyond age 62 should require the personal approval of the executive head.

(iv) Early retirement should be encouraged and, in cases where a staff member is no longer capable of productive work, should be made mandatory, provided that the staff member has attained age 55 and has had 25 years of service.

^{20/} Mr. Hillis, Mr. Hull, Mr. Mariko, Mr. McGough and Mr. Milliez dissent from this recommendation. They are prepared to agree that the retirement age should remain at 60 although there are valid considerations for some modification in practice. They believe the remainder of the recommendation is unduly restrictive of the discretionary powers of the executive heads and runs counter to the policy implicit in General Assembly resolution 2887 (XXVI).

(b) Pensionable pay

(i) The United Nations gross salary should be such as to represent an adequate basis for computing pension benefits for all staff irrespective of their country of origin or retirement.

(ii) In the periods between revisions of the salary scales the existing method of increasing pensionable remuneration by 5 per cent whenever the weighted average of post adjustments varies by that amount from the previous date should be maintained.

(c) Pensions^{21/} and social security coverage

(i) Member Governments should consider the advisability of concluding agreements with the United Nations under article 13 of the regulations of the United Nations Joint Staff Pension Fund, with a view to securing continuity of pension rights for government employees transferring to a member organization of the Fund.

(ii) Member Governments should initiate steps towards the integration of staff members in their national social security systems.

(iii) The proposed intergovernmental civil service commission should study the issues arising out of the interlocking of United Nations pension arrangements and national social security provision.

^{21/} Mr. Bello, Mr. Chowaniec, Mr. Chiba, Mr. Hull and Mr. Koulazhenkov consider that in view of the fast growth of the Pension Fund the General Assembly should request the Pension Board to submit an actuarial estimate of a levelling-off date and to provide justification - in view of a projected actuarial surplus - for the continued payments from the budgets of the organizations into the Fund amounting to 14 per cent of gross salary, and justification for the retention in the Fund of 7 per cent of the 14 per cent contributed by an organization in the case of staff members who leave the organization after less than 5 years service.

Chapter I

THE INTERNATIONAL CIVIL SERVICE

Concept

1. The concept of the international civil service is set out in Articles 100 and 101 of the Charter of the United Nations and in the corresponding provisions of the constitutions of the agencies.
2. Article 100 lays down the principles of international responsibility, independence and impartiality. It provides that, in the performance of their duties, members of the Secretariat are responsible only to the Organization. It requires them not to seek or receive instructions from any Government or from any other authority external to the Organization and to refrain from any action which might adversely reflect on their status as international civil servants. Under the same Article each Member State undertakes to respect the exclusively international character of the responsibilities of the members of the Secretariat and not to seek to influence them in the discharge of their responsibilities.
3. In implementation of these principles, the General Assembly has established regulations for the administration of the Secretariat, article I of which specifies that staff members are subject to the authority of the Secretary-General and to assignment by him to any of the activities or offices of the United Nations; that they are responsible to him in the exercise of their functions; that although they are not expected to give up their national sentiments or their political and religious convictions, they must bear in mind the reserve and tact incumbent upon them by reason of their status; and that they may not accept any gift or remuneration from any Government.
4. Article 101, paragraph 3, of the Charter prescribes the principles of competence and of geographical distribution. It reads as follows:

"The paramount consideration in the employment of the staff and in the determination of the conditions of the service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible."

5. These two principles together are fundamental to the establishment of a salary system for the United Nations. The Preparatory Commission of the United Nations, which in 1945 worked out the broad outlines of the administration of the Secretariat, noted the firm link between the two requirements. From the outset, the General Assembly has taken the view that they are mutually complementary: if the Secretariat is to meet the test of competence in its international context, it must reflect, and profit from, the assets of all cultures of the world. In practice this means that the staff must ultimately be drawn from all countries and, consequently, that its conditions of service must be such as to attract and retain persons from every country.

6. The secretariats of the United Nations, the specialized agencies and the International Atomic Energy Agency have thus been conceived as a corps of officials imbued with the spirit of international co-operation and responsive to the needs of the community of nations as defined by the deliberative organs of the various organizations, who are appointed by, and responsible to, the chief administrative officer of their respective organization. Although much of what they do is not unlike the tasks assigned to officials of national administrations, the circumstances in which they work and the manner in which they must carry out their duties set them apart to a certain extent as a distinct service.

7. There is constant reference to "the international civil service" yet it is really doubtful if such a service has in fact emerged as a functional reality. The staff are multinational but the over-all predominance of personnel, particularly at the higher levels, continues to reflect the world situation at the time the United Nations was established, when more than half its present Members were not independent. The basic concepts of global mobility and inter-organizational interchangeability, so essentially part of the concept of an international civil service, exist largely only in theory.

8. The position is much as it was in 1956 when the Salary Review Committee stated "So far as the Committee is aware, the term 'unified international civil service' has never been defined. In the sense that the officials of international organizations are international civil servants, an international civil service may be said to exist whether the conditions of service are 'common' or not. Equally, however, the existence of common conditions would not of itself produce a unified civil service analogous to a national administration, fully integrated and centrally administered with appropriate delegation of authority to the constituent departments." 22/

9. The common system now incorporates greater administrative conformity but a statement of the organizations to the 1956 Committee in response to a question on the advantages and disadvantages of an international civil service still stands: "The subject might be more precisely worded as the advantages and disadvantages of a common system of employment for the several branches comprising the international civil service". 23/ We can also readily agree with that Committee's view that: "There is also room and need for more transfer or temporary secondments between organizations: this would not only assist in keeping staff keen but should, over a period of years, help to produce effective co-ordination among the organizations. Secondment of staff to outside organizations or Governments should be favourably regarded, though never likely to be extensive. Leave of absence for refresher courses can also assist and, particularly in technical fields of work, can benefit the organization as much as the staff." 24/

22/ Official Records of the General Assembly, Eleventh Session, document A/3209, para. 23.

23/ Ibid., para. 24.

24/ Ibid., para. 43.

10. Clearly, a much more thorough examination is required and it becomes essential to define precisely what we mean by an international civil service. Despite the excellent work done by many distinguished and dedicated men and women within the common system this recent period of unparalleled growth in the tasks and personnel of the United Nations family, many basic organizational and structural defects have developed. This is substantially because the original concepts formulated when the League of Nations was founded and the United Nations established have changed very little. There is, therefore, a critical need for the proposed intergovernmental civil service commission to re-examine some of the basic ideas in relation to the changed tasks and personnel requirements of the organizations and to adapt them to the dramatically different and constantly changing times in which the world organizations now have to operate.

Composition

11. The extensive statistical information that has been prepared for our inquiry by the organizations illustrates the specific features of the international civil service. The information, part of which is presented in the form of tables and diagrams in annex V of this report, has been compiled as of 31 August 1971. It provides the most comprehensive analysis of the service to have been undertaken since it came into existence.

12. For the purpose of our review of the salary system, it is sufficient to note the following salient points.

13. As of that date, there were 34,432 members in the service holding an appointment of one year or more. Of that total, 14,877, or 43.2 per cent, were staff members of the United Nations and of the five organs established by it for particular purposes. The latter, organs wholly or largely financed from voluntary contributions or operating under temporary mandates, are UNDP, UNHCR, UNICEF, UNITAR and UNRWA. There were 19,555 staff members, or 56.8 per cent, in the specialized agencies (ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO and IMCO), IAEA and GATT. These figures show that since 1962 the number of staff has approximately doubled.

14. Staff members were serving in 137 countries and territories around the globe. By region, 22.7 per cent of the staff were assigned to Africa, 11.7 per cent to Asia and the Far East, 0.6 per cent to Eastern Europe, 32.2 per cent to Western Europe, 9.6 per cent to Latin America, 7.0 per cent to the Middle East, 15.5 per cent to North America and the Caribbean, and 0.7 per cent occupied posts of interregional or indeterminate status.

15. The Professional and higher-level staff, numbering 15,803 in all, had come from 131 countries, 43 of which are in Africa, 19 in Asia and the Far East, 9 in Eastern Europe, 20 in Western Europe, 20 in Latin America, 14 in the Middle East and 6 in North America and the Caribbean. Staff members engaged in projects of technical co-operation, numbering 7,007, had come from 107 countries, indicating the extent to which the programmes of economic and social development carried out by the international civil service draw upon the skills and experience of nationals of all parts of the world.

16. In terms of geographical distribution, the Professional and higher-level staff represented the following regional breakdown:

<u>Region</u>	<u>Number</u>	<u>Percentage</u>
Africa	868	5.5
Asia and the Far East	2,032	12.9
Europe, Eastern	1,289	8.2
Europe, Western	7,407	47.2
Latin America	1,252	8.0
Middle East	581	3.7
North America and Caribbean	2,243	14.3
Other	28	0.2
Total	<u>15,700^{25/}</u>	<u>100.0</u>

17. Most members were concerned about the continued over-representation of nationals of certain countries among the Professional staff in the common system. We therefore recommend that the General Assembly renew more forcibly their requirement that most urgent steps be taken to eradicate this continuing imbalance, and ensure that posts at higher levels are also filled in accordance with this central concept.

18. The overwhelming majority of the Professional and higher-level staff members, 89.6 per cent, were serving away from their home country. Even if account is taken only of those who were assigned to established offices, rather than to projects of technical co-operation, the proportion of expatriates was still very high, representing 87.4 per cent. In other words, a little over ten per cent of the staff members recruited for international service were assigned to offices located in their home countries.

19. The over-all proportion of regular staff in Professional and higher-level posts holding career appointments was 57.5 per cent. In individual organizations, that proportion ranged from 89.3 per cent in UPU to 21.1 per cent in IAEA, reflecting the varying policies established by each organization to meet its particular needs. In the United Nations and its related programmes, the corresponding proportion was 61.4 per cent, and in the United Nations Secretariat alone it was 66.2 per cent.

^{25/} This total does not include 103 staff members for whom no nationality breakdown was given.

20. A relatively low percentage of the Professional and higher-level staff members were under the age of 30 years. In all organizations, the proportion of staff falling within the age group of 20-29 was 4.6 per cent. By comparison, the proportion of such staff in the national civil services of the host countries on which we obtained information for our review was between 15.7 to 23.0 per cent. Similarly, only 2.9 per cent of the Professional and higher-level staff remained in the service at age 60 and above, whereas in the national civil services of the host countries the corresponding figures ranged from 6.5 to 18.3 per cent.

21. Finally, as of the date of the statistical analysis, 45.2 per cent of those Professional and higher-level staff members had been in the service no more than five years. In part, this rather high proportion of staff with limited seniority is due to the nature of the work being done by the organizations. In the main, however, it is explainable by their recruitment policies: 82.3 per cent of all regular Professional and higher-level staff who joined the service in the years 1967-1970 did so on a fixed-term appointment of from one to five years. Thus, the international civil service today also differs from national civil services in respect of cumulative experience and continuity.

22. Mr. Chowaniec and Mr. Koulazhenkov made the following additional observations:

(a) In the recruitment of staff, the principle of equitable geographical distribution is not always taken into account, in spite of the fact that a number of States Members of the United Nations are under-represented in the secretariats;

(b) Up to now, there has been an unjustifiably high percentage of permanent contracts; and, as a result of this, the secretariats are failing to keep pace with the increasing demands made of international organizations in the modern world;

(c) Insufficient attention is being given to rotation contracts, the extensive use of which would ensure that the organizations in the United Nations system could retain the most highly skilled staff; (the subject of rotation contracts is covered in greater detail in the appendix to this chapter.)

(d) The size of the staff is being inflated. Over the past decade, the number of staff members in the organizations of the United Nations system has doubled;

(e) In the organizations of the United Nations system, there is an unjustifiably large number of posts at the Director level - about 10 per cent of all posts;

(f) A considerable percentage of staff members in the Professional category do not have any university education; and only slightly more than a quarter of the staff members have a knowledge of two or more official languages of the United Nations.

23. In the view of these members, elimination of these shortcomings would help to increase the efficiency of the secretariats, and to enhance their prestige in the eyes of States Members of the United Nations.

Recruitment, training and career development

24. Many exchanges of views on recruitment, training and career development were held with the Executive Heads of the Secretariats and the Directors of Personnel of the common system. On the subject of the United Nations Secretariat in particular, we had several productive meetings with those in charge of the staff and studied the views expressed by Mr. Maurice Bertrand, a member of the Joint Inspection Unit, in a report on personnel problems in the United Nations (A/8454). In addition written information on recruitment policy and personnel management was sent to us by all organizations members of the common system.

25. This report related to the study of only the United Nations and therefore it may have limited application to the other organizations in the common system. Most of us were impressed with the detailed and thorough examination reflected in the data provided in the report. We also, without exception, admired the initiative of those concerned with encouraging and developing this study. It reflected a readiness to recognize the need for re-assessment and introduce changes based on what emerged. Regrettably, time did not permit a detailed examination of all the points raised. The United Nations and its organs faced what the report rightly described as "a crisis of modernization" in the field of personnel management. This would seem to apply in differing degrees to all organizations.

26. Standards and methods of recruitment. The Special Committee's investigations reveal that the standards for and methods of recruitment to the United Nations Secretariat are not very satisfactory. In particular there is not enough active prospecting for candidates, the information-gathering procedure is lengthy, and job descriptions are ill suited to the Secretariat's real needs on the one hand and to the young candidate's qualifications on the other.

27. These difficulties, which were mentioned in several reports, are also experienced by the specialized agencies in recruiting specialists.

28. The study of the United Nations referred to above revealed that in most cases positions were filled on the basis of only one candidate, that in a large number of other cases there were two candidates, and sometimes three, but seldom more than four candidates. Information on posts is circulated to all governments, but the complicated and voluminous job descriptions plus the inevitable time taken for the information to reach possible recruitment sources, generally resulted in the recruitment of an individual before all potential applicants have been able to submit their papers. We were given to understand that in many cases the specifications for the jobs were far beyond the requirement. We were also told that the recruitment rosters, though containing thousands of names, were generally not up to date and in any case non-operative. The position seemed very little better with regard to recruitment procedures for experts; on average four candidates are considered, sometimes less, and occasionally only one.

29. The number of candidates considered for any particular vacancy is so limited as to involve very little real competitive selection. Failures in this most important field

must be directly linked with any estimate of the adequacy of United Nations emoluments, and are partly responsible for mixed quality and age structure of Secretariat.

30. Exchanges of national and international officials. The crisis of modernization through which the United Nations Secretariat is passing has also overtaken the specialized agencies.

31. The United Nations, like the specialized agencies, ought to be able to help its Member States, and especially the developing countries among them, to train their young university and equivalent graduates in the disciplines on which management and economic and social development depend.

32. Such assistance, independently of the traditional provision of fellowships and advanced training facilities, might take the form of exchanges of national and international officials for periods of not more than three to five years. Such exchanges should not be confused with normal technical assistance in the matter of highly qualified personnel. Many of the executive heads and their colleagues consulted by us seemed in favour of such exchanges.

33. The system is essentially an extension of the concept of "fixed-term" appointments. We found that opinions varied on the central question of the relationship between the ratio between permanent staff to those on fixed-term contracts. We did not have enough time to consider the question in sufficient detail to arrive at a firm view on what the ratio should be.

34. Lack of any firm decision on this naturally reflected on discussions about the concept of interchangeability between national and international staff. Most members thought the idea of such interchange of personnel would make a healthy contribution towards helping United Nations personnel to keep in touch with changing attitudes and policies in the mainstream of the activities of Member States. It would also contribute towards a better understanding in the Member States of the policy approaches and attitudes of the United Nations.

35. The report on personnel problems in the United Nations suggested such exchanges as a possibility under the heading of "co-operation with national civil services". The members of the Committee recognize that there are bound to be administrative difficulties in arranging such exchanges, but they are confident that, given good will on the part of Member States and on that of the organizations of the common system, it will be possible to find a solution. This is the type of problem which the intergovernmental civil service commission might be asked to study.

36. Training and study leave. Most of us consider that pre-recruitment training, although desirable, presents difficulties with regard to the budget and to the short-term, medium-term and long-term planning of United Nations requirements for young

university graduates. Nevertheless, an attempt should be made to institute such programmes with due regard to the principle of equitable geographical distribution, taking particularly into consideration candidates from countries which are under-represented.

37. In-service training seems an obvious need at a time when human and organizational efficiency depends on the capacity to adjust to changing conditions. Without necessarily associating ourselves with the recommendations made in the various reports of the United Nations and specialized agencies, we recognize that such training is urgently needed.

38. The need for arrangements for study leave is beyond dispute inasmuch as it enables staff members to add to their skills and to update their knowledge in specialized fields. We have not made a detailed study of the conditions for the granting of such leave or the methods of arranging it, and therefore make no recommendations on this matter.

39. Promotions and career planning. Many of the senior executives who appeared before us were emphatic that the system of reporting and promotion is unsatisfactory. We were told that the procedures were cumbersome and wasteful both of time and money in that there was too much consultation at many levels and far too much paperwork was involved, that there was not enough effective selection at the working level, that the promotions boards were not really able to ensure equity. We were not in a position to verify any of this information in detail but the impression we gained was that many improvements in the procedure are urgently necessary.

40. There was no evidence at all of any career planning in the modern sense: no planned development of the capacity of individual staff members through selective assignments, or through planning in advance for vacancies and gearing recruitment policies to such planning.

41. Staffing policies. A number of senior executives quite unequivocally stated that the Secretariat was over-staffed. Estimates of the extent to which reductions could be achieved varied very substantially, ranging from 20 per cent to even 50 per cent. Some of us wanted to examine this more closely, but the general view seemed to be that the Committee was not to be expected to make a management study in the limited time available. Most of us, however, would have liked to have seen at least one copy of the report of the Administrative Management Service with notes on the extent to which its recommendations had been implemented. Repeated requests at all levels for the document were rejected by the executive office of the Secretary-General. In the circumstances, it is impossible to do more than reflect what was said before the Committee.

42. There were suggestions that the size and quality of the staff sometimes left much to be desired. Some senior executives indicated that quality was indeed a major problem, and that one good man could definitely do more effective work than two or more indifferently capable people. In this context, a suggestion was made that the Administrative Management Service needed to be strengthened. Some of us feel that United Nations offices seem to have many personnel without enough to do and that disciplinary standards leave much to be desired.

Tasks

43. The world in which the international organizations now operate has greatly changed in the 17 years since the United Nations salary system was last reviewed by an intergovernmental committee. The attainment of independence by many peoples has extended immeasurably the area of active concern with matters of peace and security, trade and development, progress and well-being. As a result, the business of international co-operation has become wider in scope and more varied in nature. Much of it, of necessity, is thrust upon the international organizations, because problems affecting all of mankind are not susceptible of national solutions. The extent to which such business is entrusted to the international organizations at any one period is ultimately determined by national priorities. Even so, the direction of international co-operation is unmistakable. And the information we received amply illustrates this conclusion.

44. The tasks on which international civil servants are currently engaged cover a vast area of activity, some of which is well established, some more recent. The latter includes such fields of work as industrialization, exploitation of natural resources, regulation of the use of the ocean and outer space and protection of the human environment, all involving an interlocking array of political, legal, economic, scientific and technical issues.

45. In so far as the specialized work is concerned, it differs little from what it is in a national setting. It involves identifying the issues, assessing the needs and indicating how they might be met. But given the complexity of the subject matter and the divergency of positions taken by Governments on them, the task of effectively serving the cause of international accommodation implies a good deal more than technical competence.

46. The expansion and diversification of the work of the international organizations in the field of economic and social development have brought in their train a change in the occupational composition of the staff. In addition to the specialists engaged for carrying out projects of technical co-operation, there are now on the regular staff of the organizations many highly trained and uniquely equipped officials working for the various organs established to promote economic and social advancement in the world.

47. By occupation, the largest group of the regular Professional and higher-level staff consisted of administrative officers. Excluding the most senior officials next below the executive heads of the organizations, 2,403 members of the service, or 28.4 per cent of the total, were engaged in the planning and management of human resources, finances, buildings and supplies. The second largest occupational group consisted of language officers - interpreters, translators, editors and verbatim reporters (1,173 or 13.9 per cent), followed by economists (663, or 7.8 per cent), scientists (584, or 6.9 per cent), information officers (404, or 4.8 per cent), accountants and auditors (273, or 3.2 per cent), medical specialists (258, or 3.0 per cent), educationalists (242 or 2.8 per cent) and statisticians (215, or 2.5 per cent).

Privileges and immunities

48. Members of the international civil service enjoy certain privileges and immunities that have been conferred upon them in the interest of the independent exercise of their functions. These privileges and immunities, which reflect the special status of international civil servants in relation to the host State, the State of their nationality and in relation to all other States, are set out in the Convention on the Privileges and Immunities of the United Nations, ^{26/} adopted by the General Assembly in resolution 22 A (I) of 13 February 1946, in the Convention on the Privileges and Immunities of the Specialized Agencies, ^{27/} and in special agreements with host States to the United Nations, its organs or the specialized agencies. As of 25 May 1972, the number of States that had acceded to the Convention of the United Nations stood at 106, and the number of States parties to the Convention concerning the specialized agencies was 73.

49. Within the context of our review of the salary system we were chiefly concerned with two provisions of the Conventions and related agreements by reason of their effect on the conditions of service of the staff at the various duty stations and, more particularly, at the headquarters of the organizations. These provisions are:

(a) Exemption from taxation on the salaries and emoluments paid by the organizations to their staff;

(b) Exemption from customs duties.

50. In New York, all staff members, other than United States nationals and aliens admitted to the United States for permanent residence, enjoy the privileges and immunities enumerated in section 18 of the Convention. This section provides, among other things, that staff members shall be exempt from taxation on their salary and emoluments from the United Nations and "have the right to import free of duty their furniture and effects at the time of first taking up their post in the country in question". Under the International Organizations Immunity Act staff members who are not United States nationals or permanent residents are exempt from customs on their personal effects imported in connexion with any arrival on official business. In addition, under section 19 of the Convention, the Secretary-General, the Under-Secretaries-General and the Assistant Secretaries-General are accorded, in respect of themselves, their spouses and minor children, the full range of privileges and immunities, exemptions and facilities that are accorded to diplomatic envoys. The Secretary-General and the top-ranking officials mentioned above may therefore import, at any time, effects for personal use or consumption without paying customs duties, are exempted from sales tax and, provided the item is purchased directly from the manufacturer, are exempt from federal excises. Staff members who are United States nationals or permanent residents are not exempt from taxation, in accordance with the reservation made by the

^{26/} United Nations Treaty Series, vol. 1, p.15.

^{27/} United Nations Treaty Series, vol. 33, p.261.

United States of America when it acceded to the Convention. The taxes they pay on their United Nations income to the United States are refunded to them by the United Nations and charged to the United States account in the Tax Equalization Fund established under General Assembly resolution 973 (X) of 15 December 1955.

51. In Geneva, at the seat of the United Nations Office in Europe and the headquarters of the ILO, WHO, ITU, IMO and GATT, and in Berne, at the headquarters of UPU, staff members of grade P-5 and above enjoy a status similar to that of diplomats and, accordingly, are exempt from customs duties. All staff members are exempt from taxes on their salaries, and non-Swiss staff members from taxes on income from shares, bonds or deposits in savings banks; taxes on estates of non-Swiss officials are also waived. Staff members who are Swiss nationals are exempt from taxation on the salaries they receive from the organizations but not from other taxes; nor do they enjoy customs privileges.

52. In London, at the headquarters of IMCO, the Secretary-General, the Deputy-Secretary-General and the Secretary of the Maritime Safety Committee are accorded all the privileges and immunities of diplomatic envoys. Other officials of the Professional and higher categories enjoy the same privileges as are accorded to diplomatic agents in the United Kingdom under the Vienna Convention on Diplomatic Relations. All officials are exempt from income tax and surtax on their salaries and emoluments, and also from purchase tax on specified articles and from duties, charges or levies imposed on articles imported for personal use. For staff members not in the senior official category the latter privileges are limited in time to the period of their first arrival.

53. In Montreal, at the headquarters of ICAO, the President of the Council and the Secretary-General and their spouses and minor children enjoy the same privileges and immunities as are accorded the diplomatic envoys. Other officials are granted privileges and immunities that correspond closely to those mentioned in section 19 of the Convention. In addition, non-Canadian officials of grades P-4 and above may import articles for personal or family use free of duties and taxes and may claim exemption from indirect taxes on certain specified articles purchased from licensed manufacturers. The exemption from taxation and customs does not apply to Canadian nationals or residents.

54. In Paris, at the headquarters of UNESCO, officials of the organizations with a rank equivalent to, or higher than, P-5, enjoy the privileges, immunities and facilities accorded to diplomats. French nationals are limited to officials of a lower rank than P-5 and all privileges that are enumerated under section 19 of the Convention. There is no general exemption from indirect taxes, but officials of grade P-4 and above may import free of duty specified articles of consumption. Non-French officials of grade P-5 and above are exempt from the contribution mobilière that is levied on the occupancy of a house or apartment.

55. In Rome, at the headquarters of FAO, all officials of grade P-5 and above enjoy the privileges and immunities accorded to members of the diplomatic corps under the Vienna Convention on Diplomatic Relations. The Director-General, the Deputy Director-General and the Assistant Director-General have the privileges and immunities of diplomatic envoys. All Professional and higher-level staff are exempt from the registration tax on leases and may import certain articles for personal use or consumption. Professional staff may also import duty free an automobile every four years as replacement for one previously imported and are granted a duty-free ration of petrol and lubricating oil. Staff members who are Italian nationals are subject to limitations on the privileges and immunities accorded by the FAO headquarters Agreement, notably with respect to exemption from direct taxation on income derived from sources outside Italy and to the freedom to maintain in Italy foreign securities, foreign currency accounts and other property. They may, however, purchase certain imported goods free of duty at the FAO commissary.

56. In Vienna, at the headquarters of IAEA and UNIDO, the privileges, immunities, exemptions and facilities accorded to ambassadors who are heads of missions are also extended to the Director General of IAEA and to the Executive Director of UNIDO. Officials of grade P-5 and above who are not Austrian nationals enjoy the same privileges and immunities as are accorded to the staff of diplomatic missions having comparable rank. These officials are also exempt from customs, turnover tax and other levies on goods imported for private use or consumption. Exemption from customs duties on motor vehicles is granted to officials of grade P-5 and above in respect of two automobiles every two years and to non-Austrian officials of grade P-4 and below for one automobile every four years. All other non-Austrian officials are exempt from taxation on income derived from sources outside Austria, are free to acquire or maintain foreign securities, foreign currency accounts and other property and may import free of duties certain specified articles for personal use or consumption through the IAEA and UNIDO commissaries. Officials who are Austrian nationals or residents may purchase from the commissary limited quantities of specified items of consumption.

57. From this review it is evident that the position of staff members of the organizations in regard to the privileges and immunities that have been accorded to them of their functions varies in several respects from one duty station to another. Specifically, the provision on the exemption from income tax is applied with respect to nationals only in five of the headquarters locations, the exceptions being New York and Montreal, where nationals of the host State are required to pay such tax on the salaries and emoluments they receive from the United Nations and ICAO respectively. Second, in five of the seven host States, staff members of grade P-5 and above are assimilated in status and benefits to diplomats accredited to the State concerned. In New York such status is accorded only to the Secretary-General and to the officials of the two highest levels. With some variations from place to place, certain privileges representing economic benefits including, in some instances, commissary facilities, are also available to either all or a group of officials in addition to those of grade P-5 and above. Third, the most comprehensive privileges, immunities and facilities appear to be in effect at Vienna.

58. Some members consider that Member States should grant international officials with executive functions the same privileges and immunities as are accorded to diplomats of the countries with which the State maintains diplomatic relations.

59. It was brought to our attention that section 24 of the Convention, which provides that the United Nations laissez-passer issued to officials shall be recognized and accepted as valid travel documents by the authorities of Member States, is not being applied uniformly. Some Governments have extended to the holders of the United Nations laissez-passer special courtesies by waiving visa requirements and thus facilitating their travel on official business; others, however, follow the practice of requiring a national passport in addition to the laissez-passer. Moreover, at United Nations Headquarters the host country presently issues more restrictive visas on the laissez-passer than it does on many national passports. The latter practice seems to us to raise important questions as to whether the laissez-passer fulfils the purpose for which it was introduced. We understand that the Secretary-General has taken up with the United States the question of the restrictive visas. As to the requirement of a national passport, while we were not in a position to consider the matter in greater detail, we believe that the matter deserves to be studied more closely. We, therefore, recommend that the Secretary-General be requested to examine the issues involved in the application of article VII of the Convention, with a view to submitting to the General Assembly appropriate proposals for its consideration.

Structure

60. The staff of the organizations in the United Nations common system is grouped in two broad categories:

- (a) the Professional category and above;
- (b) the General Service category

61. The Professional and higher categories comprise posts of policy-making, managerial and specialized functions (D-1 and D-2) and posts of administrative, economic, information, legal, linguistic, political and scientific functions normally requiring university training (P-1 to P-5). The General Service category, on the other hand, consists of posts of clerical, custodial, secretarial, semi-professional and certain administrative functions.

62. Within this basic structure, individual organizations maintain subcategories designed to meet special situations. The United Nations administers separate salary scales for (a) Manual Workers at its offices in New York, Geneva and Vienna; (b) Security Service personnel in New York; and (c) Field Service personnel at many duty stations away from Headquarters. Field Service personnel includes administrative and finance officers, communications personnel, vehicle mechanics, guards and male secretaries. IAEA similarly applies separate salary scales for its Manual Workers in Vienna. Yet another subcategory, which is used by UNICEF in certain field duty stations, consists of persons possessing professional qualifications who are recruited for service in their own country and are paid in accordance with the highest prevailing local rates. They are referred to as "Local Professionals". Finally, UNRWA employs more than 10,000 persons in a variety of functions, ranging from manual to professional, who are recruited locally and are paid in accordance with governmental practices. These employees are normally not included in the statistics for the international civil service.

63. In view of the nature of the two categories, the Charter principle of recruiting the staff on as wide a geographical basis as possible and of determining their conditions of service accordingly has been limited in its application to the Professional and higher categories. Not subject to the principle of geographical distribution are those Professional staff members whose duties call for special language skills or who work in programmes financed by voluntary contributions.

64. Thus, the distinction between the categories as they now exist relates to:

(a) The nature of the posts they contain;

(b) The manner in which the posts are filled (international as against largely local or regional recruitment);

(c) The method of determining the conditions of service for the staff so recruited.

65. Of the five Governments which gave their views on the salary system, four (Federal Republic of Germany, France, Japan and United Kingdom) favoured retention of the present structure on the ground that it was important to draw a distinction between locally recruited and international staff. The United States Government proposed that the General Service staff should be absorbed into a local service category comprising both clerical and certain Professional staff to be recruited locally.

66. In the course of our hearings, we were informed by the Director-General of FAO that one of the most significant findings of a committee he had recently established to study management-staff relations concerned the separation of the staff into Professional and General Service categories. It was the FAO committee's conclusion that the existence of the two categories represented a divisive factor within the secretariat, created a feeling of "class distinction" among General Service staff and led to a wide range of administrative difficulties. That committee had accordingly proposed, and the Director-General had endorsed the proposal in principle, that the existing structure should be replaced by a "single ladder system". The Director-General subsequently reaffirmed, in response to an invitation we had addressed to him, that he maintained his position on the subject but recognized that before it could be considered a more specific proposal would have to be worked out. Preference for a single category was also expressed during the hearings by the Acting Director General of IAEA. In a written submission the Director General of the Agency later informed us that he would favour the establishment of a separate local service category.

67. In their collective response to our questions most executive heads came out in favour of a modification in the structure of categories. After an analysis of the various ideas put forward in the past, they concluded: "if the structure is to be revised to meet present conditions, the process begun in 1949/50 might be carried further". In essence, what the Committee of Experts of 1949 proposed was to define restrictively the scope of application of the principle of international recruitment and international conditions of service by identifying the kinds of jobs that should be done by staff drawn from all over the world. It introduced a distinction between the categories accordingly. In line with that approach the executive heads suggested that the jobs currently performed by staff recruited on an international basis should again be sorted out. The change they envisaged was to maintain a structure of two categories but to distinguish between them not according to the type of work performed by the staff members but according to their liability to serve internationally or locally. The two categories would thus be redefined as international service category and local, or, as suggested by the Administrator of UNDP, national service category.

68. As regards the types of post that might be included in the new local service category, to executive heads listed those which directly related to the operation of the office, such as maintenance of buildings and equipment, transport and supply, printing and document reproduction. To meet the special needs of UNDP and UNICEF in field duty stations, they further suggested that additional groups of posts which required knowledge of local conditions and languages might be included.

69. The Federation of International Civil Servants' Associations (FICSA) proposed that all categories of staff should be consolidated into a single category. The Federation made it clear that such a category would have to be "without prejudice to the present rules governing geographical distribution of posts". It further pointed out that a single category would involve replacing the existing dual system of remuneration by a single salary scale and that much preparatory work would be required to determine whether such a change was feasible. The Federation accordingly suggested that as long as the existing two-category system was in force, some of its more serious defects, e.g., promotion barriers, should be removed.

70. Another change in the existing structure was suggested by Mr. Georges Palthey, Assistant Director-General of the United Nations Office at Geneva. Under this proposal, an elaboration of a personal view put before the Special Committee in the course of its hearings, a special service category would be established in addition to the existing two categories. The new category would contain posts of a technical, semi-professional and senior clerical nature which did not require university trained personnel for the performance of their duties. The staff would be recruited from the region of the duty station and paid on the basis of the best prevailing rates in the region. The number of grades could vary according to the needs of the duty stations.

71. The establishment of an intermediate category between that of the General Service and Professional staff as a means of reducing the number of the latter was also touched upon in the report on personnel problems in the United Nations mentioned above. The report gave reasons for creating a category which would contain those staff members, many of whom were now in the Professional category, who worked in the routine administration of the Secretariat. He thought, however, that such a

reform would require a comprehensive analysis of the structure and operation of all units before it could be adopted.

72. As to the structure of grades, the Director-General of GATT expressed the view that there was a need for the introduction of a new level D-3. The difference in grading between D-1 and D-2 level was, in his judgement, too narrow, bearing in mind that heads of operational departments holding D-2 posts had heavy responsibilities. A private view in favour of establishing a D-3 level was also put forward by Mr. C. V. Narasimhan, Chef de Cabinet of the Secretary-General, who based it on the need for a better hierarchical structure in such areas as ESA, UNICEF, UNIDO and UNITAR. He cited the pressures for more Assistant Secretary-General posts as evidence that such a change in the structure was both necessary and desirable.

73. The report on personnel problems in the United Nations discerned four levels of qualifications in the existing Professional and higher categories and recommended two grades for each level: basic university training - P-1 and P-2; first-stage professional experience - P-3 and P-4; great professional experience - P-5 and P-6; management - D-1 and D-2 (A/8454, paragraphs 152 and 438).

Recent developments

74. There have been a number of developments in recent years which have a direct bearing on the question of structure:

(a) The original distinction between the categories on the basis of their job content has been blurred. The United Nations has resorted to the creation of higher grades in the General Service category at certain duty stations in order to accommodate local employees engaged to work as information officers in its information centres. The practice was established partly in response to local market conditions and partly out of budgetary considerations. Although it solved the problem of setting an adequate pay level by local standards, it could not satisfy the requirements of status and rank.

(b) For similar reasons, UNICEF has found it necessary to create a new category of "Local Professionals". In this case, too, questions of equity have become unavoidable. Doubts have also been expressed as to the consistency of such a practice with the principle underlying the present structure.

(c) An appreciable number of General Service posts have been reclassified and their incumbents promoted to the Professional category. In many cases this advancement represented a distinct change in the content of the job, but in some it merely recorded greater competence and experience of the staff members rather than a discernible difference in the nature of their work. The concept of the Professional category as a grouping of posts of the same disciplines or occupations has thus been diluted.

(d) The very basis for the separation of the categories has given rise to criticism. Staff associations increasingly look upon the division between clerical and professional posts as a "class" distinction and consider that, as movement from the General Service to the Professional category is sometimes complicated by considerations of geographical distribution, the existence of categories seems to place barriers in the way of a person's career and thus prevents the fullest use of the talent already in the service.

75. As to the question of possible changes, we have examined the following possible modifications:

- (a) Re-establishing a single grading structure;
- (b) Reverting to the idea of a special service category;
- (c) Dividing the present Professional category into two groups distinguished on the basis of liability to transfer;
- (d) Creating a separate language category;
- (e) Introducing regional service categories;
- (f) Transforming the Professional and General Service categories into international service and local service categories.

76. The concepts of a special service category and of a separate language category seem to us to imply a distinction between staff based on the nature of the work they do. This kind of distinction has given rise to much of the criticism of the present structure. In addition, the number of posts that could be comprised in a special service category has been estimated as relatively small. The concept of transferability has proved incapable of precise definition. By contrast, the criteria for establishing local, regional and international service categories, namely, place of service and source of recruitment, can be defined in fairly precise terms, at least as regards local and international service. Such a change, however, seemed to most of us to mean that the scope of international recruitment and, consequently, of the application of the principle of equitable geographical distribution would have to be defined more restrictively. In addition to upsetting the existing balance between the national and international inputs of international co-operation, it might also lead to administrative difficulties arising from the use of two different pay systems for staff members at comparable levels of work who would be distinguished only on the basis of whether they were recruited locally or internationally.

Our conclusions

77. For the above reasons, most of us see little advantage in modifying the present structure of categories. Nor do we find justification for the addition of a new grade in the director category. We recognize, at the same time, the essential role that the small number of local Professionals employed by UNICEF plays in implementing its programmes. In view of the continuing need for such personnel and pending a closer examination of the nature of the posts involved, to be carried out by the inter-governmental civil service commission we recommend elsewhere in our report, we propose that the practice of recruiting such staff for local service should be maintained, provided that all future appointments should be granted on a fixed term basis.

Appendix

Views of Mr. Chowaniec and Mr. Koulazhenkov on "the rotation contract"

1. The rotation contract, unlike the permanent contract, provides for the periodic rotation of staff between the secretariats of international organizations and national service. After working in the United Nations for 5 to 7 years the staff member would be given extended leave without pay and would return to his country to go on with his work in one of the national services. Both the United Nations and the national services would benefit from this interchangeability of staff.
2. The rotation contract would create conditions that would prevent international civil servants from becoming a privileged caste cut off from reality and it would effectively forestall the possibility of bureaucratization and the decline in staff members' efficiency which is observed in the case of permanent contracts.
3. The system would ensure a constant flow of new blood into the secretariats. By working in his own country, the staff member would refresh his knowledge and enrich his experience. In this way his further training would take place in his native country. Only under these conditions would the United Nations be able to train staff on a truly international basis. The training of staff within the international organizations cannot ensure such results.
4. National services would also be able to benefit from the experience acquired by the staff in the United Nations and they would acquire better understanding of the problems of the United Nations and the specialized agencies. At the same time, by working in his home country the staff member would acquire a deeper insight into the attitudes of member States towards the international organizations and the specific problems confronting them.
5. It should be possible for the international organizations to decide whether or not to engage a staff member for a second or third period of service on the basis of an assessment of his previous work in the United Nations. It would no longer be possible for incompetent workers to return to the United Nations.
6. The rotation contract would make it possible to place recruitment of United Nations staff on an organized basis in agreement with the Governments of Member States. The international organizations are not in a position to ensure lifetime careers for staff members. The agreement of Governments to employ the staff member after he leaves the United Nations would guarantee him a place in national service; his periodic return to his home country would strengthen his ties with his people and enable him to renew contacts with professional, scientific and other circles in his country.
7. In re-engaging the staff member the international organization would be acquiring an employee with five to seven years of prior experience in the system of United Nations organizations and enriched by his experience in his own country. In this way the rotation contract would ensure the recruitment by the United Nations of experienced experts fully familiar both with the United Nations system and with national service. Such employees would be doubly valuable for the international secretariats and for the member States.

Chapter II

THE COMMON SYSTEM

Origin and machinery

78. Article 57 of the Charter provides that the specialized agencies "shall be brought into relationship with the United Nations in accordance with the provisions of Article 63". The latter specifies that such relationships may be established by agreements with the agencies to be entered into by the Economic and Social Council and subject to approval by the General Assembly. The same Article further provides that the Economic and Social Council "may co-ordinate the activities of the specialized agencies through consultations with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations".

79. The co-ordination function of the United Nations encompasses not only the activities of the specialized agencies but also their policies (Article 58) and administrative budgets (Article 17).

80. Pursuant to these provisions, agreements have been entered into between the United Nations, on the one hand, and the specialized agencies and IAEA, on the other, which have come into force after approval by the General Assembly and the appropriate bodies of the respective agencies as follows: ILO, FAO and UNESCO (14 December 1946), ICAO (13 May 1947), WHO (10 July 1948),^{28/} IBRD and IMF (15 November 1947), UPU (1 July 1948), ITU (1 January 1949), WMO (20 December 1951), IFC (20 February 1957), IAEA (14 November 1957), IMCO (13 January 1959) and IDA (27 March 1961).

81. All agreements provide for consultations between the United Nations and each agency concerning personnel and other administrative matters of mutual interest, with a view to securing as much uniformity in these matters as they will find practicable and to assuring the most efficient use of their services and facilities. However, only 10 of the 14 agreements contain specific arrangements for co-ordination of personnel policies, the key provision of which typically stating that the two organizations "recognize that the eventual development of a single unified international civil service is desirable from the standpoint of effective administrative co-ordination, and, with this end in view,

^{28/} Approved by the General Assembly on 15 November 1947.

agree to develop common personnel standards, methods and arrangements designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel, and to facilitate interchange of personnel in order to obtain the maximum benefit from their services". 29/

82. Those organizations that have agreed to co-operate to the fullest extent possible in matters relating to the employment of their staff constitute the United Nations common system of salaries and allowances. They include the specialized agencies other than IBRD and its affiliated agencies, IFC and IDA; IMF; and IAEA. In addition, GATT, which follows the United Nations staff regulations and rules and is a member organization of the United Nations Joint Staff Pension Fund, is treated as if it were a specialized agency and is, accordingly, a member of the common system.

83. To ensure implementation of the agreements, the Economic and Social Council, by its resolution 13 (III) of 21 September 1946, requested the Secretary-General "to establish a standing committee of administrative officers, consisting of himself as Chairman and the corresponding officers of the specialized agencies brought into relationship with the United Nations, for the purpose of taking all appropriate steps" to that end. The Committee was originally called the Co-ordination Committee but was subsequently renamed the Administrative Committee on Co-ordination (ACC). In 1948, ACC established subsidiary organs to deal with the various fields of co-ordination, including the Consultative Committee on Administrative Questions (CCAQ), which was empowered to study and work out agreed proposals in regard to matters of personnel, budget and finance.

84. The goal of developing "a single unified international civil service", referred to in the agreements between the United Nations and the agencies, has, since 1948, been advanced by the International Civil Service Advisory Board (ICSAB), a body of independent experts in public administration. The terms of reference of the Board were agreed upon by ACC in implementation of General Assembly resolution 13 (I) of 1946, which provided that an "International Civil Service Commission shall be established by the Secretary-General". The Board advises ACC on matters arising in the administration of the common system of salaries and allowances, including divergencies between organizations in the application of particular elements of the system.

85. Another independent body in the machinery of the common system is the Expert Committee on Post Adjustments. It advises ACC on the administration of the salary differentials applied by the organizations in their various duty stations on the basis of differences in costs and standards of living.

86. Finally, the common system maintains a single pension scheme, the United Nations Joint Staff Pension Fund, which provides retirement, death and disability benefits for all officials of the participating organizations. The Fund is managed by a Board, on which are represented, in equal numbers: (a) the General Assembly and the corresponding bodies of the agencies; (b) the Secretary-General and chief administrative officers of the agencies; and (c) the participants. The regulations of the Fund are approved by the General Assembly on the recommendation of the Board.

29/ "Agreements between the United Nations and the specialized agencies" and the International Atomic Energy Agency" (ST/SG/14), p.6.

87. Thus, the United Nations common system consists of 12 separate organizations, each established by intergovernmental agreement, committed to achieve effective administrative co-ordination at both the intergovernmental and the intersecretariat levels. The central function of administrative co-ordination at the intergovernmental level is vested in the General Assembly, assisted by its Advisory Committee on Administrative and Budgetary Questions (ACABQ), which, under its terms of reference, is also required to examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with them. At the intersecretariat level, it is the responsibility of ACC to co-ordinate the administrative policies and practices of the system. In the discharge of this responsibility, ACC is assisted by its own subsidiary body (CCAQ) and by two independent expert advisory bodies (ICSAB and ECPA). Except for the Joint Staff Pension Fund, which is managed in accordance with procedures laid down by the General Assembly on behalf of all the organizations, the other conditions of service of the common system are subject to co-ordination by consent.

Working of the system

88. The system of voluntary co-ordination developed pragmatically. It took account of the different dates and methods of negotiation of the post-war treaties which established or confirmed the constitutions of agencies working in different specialized fields. When co-ordination began, it was already a historical fact that each agency had its own charter, its own legislative organs and executive head, and that each recruited and administered its own staff in or from its separate headquarters country. In the light of this autonomy, it is generally recognized that the system has been effective, in the sense of achieving through voluntary action a high degree of uniformity both on broad administrative policies and on a myriad of details in the conditions of international service.

89. The present working of the common system therefore has the great advantage of reconciling the need for co-ordination with the facts of organizational independence. It preserves for each organization the full extent of juridical control by the legislative organ, while still yielding practical legislative authority to the General Assembly in such basic matters as the ultimate determination of Professional salaries and allowances. The ACC machinery, in the process of working out by common agreement many details in the conditions of service, permits senior administrative officials to come together periodically and to share their practical experience. It also enables each organization to benefit from the special competence of other organizations or of the experts on their staff. Thus, numerous administrative tasks of the common system are shared.

90. Further, the present structure of the co-ordinating machinery permits a differentiation of function by levels: CCAQ works out agreed positions on common administrative problems of great scope, variety and complexity; ACC gives executive approval or policy direction, or takes the necessary decisions for submission to legislative organs; ICSAB and ECPA apply independent expert judgement; the General Assembly, with the benefit of its own machinery for administrative and budgetary review, legislates for the United Nations; and, for the most part, the legislative bodies in the other organizations - in the exercise of their own authority or by its delegation - accord to the General Assembly decision a uniform application within their own agencies.

91. In this procedure the limitations on the role of ICSAB have acknowledged advantages. Its advisory capacity eases the process of selection, as distinguished personages from various regions and cultures can be chosen for their personal qualifications without entry into the considerations involved in political representation. The relative brevity of the meeting time, with the norm of a single annual session, makes possible

full participation by high-level persons who might not otherwise be free to lend their authority to the work of the Board. At the same time, its creation as a continuing body, meeting from year to year and building up experience and precedent and acquiring a direct acquaintance with individual interagency problems, affords a continuity and expertise that an ad hoc organ would find difficult to duplicate.

92. There are two main obstacles to effective co-ordination in the present system: the consultative character of the basic arrangements and the length and intricacy of the legislative process.

93. At the CCAQ level, decisions must, to a large degree, be reached by consensus, even on minor questions. The immediate disadvantage of this procedure has long been obvious: in principle each organization retains the right to disagree and not carry out a decision, even when endorsed by AGC. The extent to which decisions are weakened by this constitutional restriction is not to be minimized. For example, the representatives of the Secretary-General of ICAO, for constitutional reasons involving the active role of the ICAO Council in administrative matters, have commonly been obliged to reserve the position of that organization on matters discussed in CCAQ (originally by express reservation, though now more commonly by general understanding). If the other organizations have disagreed with this procedure, it has been mainly on the grounds that legally they are scarcely in a different position. They hold that this need not preclude agreement within CCAQ in the interest of co-ordination. Still when CCAQ does succeed in working out a general understanding, the statements of agreement in its reports may be so qualified by dissents or by expressions of doubt on the part of one or another organization that they sometimes have more the appearance of an opinion poll than of an agreed text.

94. Nevertheless, in practice, the weakness of the system is not attributable to any very frequent or outright exercise of this privilege not to be bound. The real weakness lies rather in the consensus-reaching procedure itself. Discussions are drawn out, and an item will often be continued for a number of years. This is not surprising when it is considered that the subject-matter may be detailed or complex, that there is often ample room for legitimate differences as to policy and that the various headquarters locations or fields of responsibility may already have led to variant practices. It is not that there is any will to obstruct; it is just that CCAQ, lacking any central guiding authority, is not the kind of body to impose a decision. In the face of its usually overloaded agenda, the easiest decision when consensus is not reached on an item, is to defer or to request a redraft.

95. A less well understood disadvantage of CCAQ lies in its hidden costs. A sizable body of relatively high-salaried officials assemble periodically to discuss and elaborate, but not impose, uniform practices on subjects large or small. This can be costly - in terms of documentation and travel expenses, but especially in terms of man-hours. The more sessions required before an agreement is reached, obviously the greater the cost per item co-ordinated. This is an expense of running the machine. There is also, however, the cost of the substantive decision arrived at. This, too, may raise the cost level. In order to reach a compromise among organizations favouring, for example, different forms or rates of entitlement and bargaining with each other as to a common standard, it may be necessary to reach a higher rather than a lower common denominator of costs.

96. At the interagency level the relationship between management and staff is similar to that between organizations. They hear each other, but they cannot be expected to speak with one voice or, except rarely, to arrive at identical positions. Even where the two sides are heard by an independent body, like ICSAB, the result must, at best, remain advisory: the Board cannot settle matters in the manner of a tribunal which can render a judgement.

97. As a consequence, the complexity of the decision-making structure has led to criticism by staff representatives. It has seemed to FICSA that the scope of the hearing accorded them is in inverse proportion to the degree of final authority of the body in question. They have ample opportunity to voice their views in CCAQ, but they contend that this is only a preparatory stage. They are heard in full at ICSAB sessions, and their positions are tested by the Board against those of the administrations: but whatever emerges from ICSAB remains advisory. ACC, ICSAB and ACABQ have all indicated that there are practical and procedural obstacles to staff participation at the legislative level. Nevertheless, not only staff spokesmen but administrators can feel frustration at the length of the ladder of consultation and advice to be climbed, in matters of real consequence, from the original co-ordination study by CCAQ or a working party, through an ICSAB session to ACC to ACABQ and, finally, to the Fifth Committee of the General Assembly.

98. If the remarkable degree of uniformity attained by the common system is evidence of the value and viability of the system as a whole, then it is equally fair to conclude that areas of continued divergence are proof that co-ordination has been incomplete. A major example of such an area is that of common grading standards. This is a subject to which ICSAB has given repeated attention. In 1965, the Board observed that "continued divergencies in grading tend to distort, if not nullify, the otherwise excellent record of unification achieved in respect of salary scales and allowances. They hamper the desirable development of interagency and internal transfers: they create administrative difficulties, notably in joint projects, and affect staff morale." At that time, CCAQ took an important step towards common grading in providing for a full-time classification expert to survey the larger occupational groups that are common to numerous organizations, and to assist individual agencies, at their request, in the adaptation of their own posts to prevailing standards. This development was welcomed by the Board, but, three years later, it still found wide divergencies in policies as well as practice. Progress seemed to have resided more in the drafting of standards than in their application. The Board sharply questioned whether a common system of salaries could exist in the absence of common classification processes. It was likewise obliged to note with disquiet that grading controls had been inadequate, for it developed evidence of a pronounced tendency throughout the system to escalate gradings over the previous decade. The Board concluded that to supervise the development and introduction of common standards "a new kind of machinery" was required.

99. This example leads to the question of the extent to which weaknesses in the nature or function of ICSAB may add to the disadvantages already noted in the common system as a whole. With a purely advisory role, the very nature of the Board, as being composed of persons of high position or attainment, restricts its ability to pay close and continuous attention to problems of current administration within the organizations. Though serving in their personal capacity, most of the members have other and heavy responsibilities that make them unavailable for more than brief periods at a time. This has confirmed the tradition of an annual session, which now usually lasts for not more than two weeks. Its programme, accordingly, tends to be confined to a few key subjects put to it by ACC or carried forward by the Board from its previous session. Yet the development and application of long-term programmes of interagency co-ordination require

constant attention. Although the Board has been able to take the initiative in laying down programmes for review with the agencies, even those items can be crowded off its agenda by emergency subjects put up by the organizations. In such circumstances, the more general reviews (of promotion policies and procedures, for example), cannot be followed up promptly and will tend to give way to more immediate and troublesome problems like salary review. The situation is not conducive to the long-term development of a unified international civil service.

100. The three-tier system of co-ordination also makes relatively remote and unfunctional the Board's contact with the individual administrations. As an expert group of detached advisers the Board can assert a more united attitude toward issues than CCAQ. But, as it must conduct its reviews by discussion in common with CCAQ, its effectiveness can never exceed its persuasiveness. To that extent the defects of CCAQ, which is the main channel for submission of views and materials to ICSAB are transmitted to the Board.

101. Nor does the Board's situation, as technically an organ of ACC, greatly help it to guide and review the implementation of its recommendations. As ACC is a committee of heavily burdened top executives, meeting only thrice a year for two days at a time and then almost wholly preoccupied with the co-ordination of programmes, its members are scarcely in a position to impose the Board's views on their administrators. There is a certain inconsistency in the Board's being the servant of ACC when it is to these same executive heads that it must direct what pressures it can exert for reform. The Board is left to resort to annual reminders to those administrative officials who appear at its regular sessions.

Uniformity and flexibility

102. In the course of our review, it has become apparent that although the common system works reasonably well and has achieved a remarkable degree of uniformity in the conditions of service, there remain significant variations in it. That complete uniformity is neither practicable nor desirable has been recognized from the inception of the system. The separate constitutional arrangements and different local conditions require a measure of latitude in making necessary adaptations. Nevertheless, since many officials of the various organizations work together in the same duty station, often in the same premises or on the same project, it is unavoidable that discrepancies in terms of employment coming to light in any particular location should give rise to the recurrent question of how much flexibility is needed to enable organizations to operate efficiently without impinging on the working of the common system.

103. As will be seen from the brief descriptions of the essential features of the system elsewhere in this report, the basic structure of categories, the principle for determining pay, the salary scales for staff recruited internationally, the allowances and benefits, all these are of general applicability. In individual organizations there are, however, special provisions which do not form part of the system as a whole.

104. Thus, although the staff of all organizations is grouped into two broad categories, the Professional and higher-level category and the General Service category, the United Nations, ILO and IAEA have a separate category of Manual Workers, or maintenance personnel.

The United Nations also maintains a separate category for Field Service personnel in many duty stations and a Security Service category in New York. UNICEF, as mentioned in chapter I, has a separate category of Local Professional staff, and UNRWA employs eight different categories of locally recruited staff in a variety of functions, ranging from manual to professional. 30/

105. In terms of grades, although the general structure comprise seven grades in the Professional and higher categories, P-1 to D-2, ILO has only six grades, inasmuch as it administers grades P-2 and P-3 as a single P-2/P-3 grade. WHO uses a grade P-6, with a salary range identical to that of D-1 for its senior medical officers who have no management functions. The grading structure of the General Service category varies from one duty station to another according to local needs and practice. Within a given duty station, however, all organizations maintain a single structure.

106. The base salary scale for each grade in the Professional and higher categories is applied uniformly at all locations, as are the differentials, or post adjustments, which are added to or deducted from base salary to compensate for variations in cost of living, except that WHO does not apply minus post adjustments.

107. Salary scales for General Service staff are established on the basis of a single principle applied by all organizations. There are, however, marked differences of method in applying the principle, as will be explained in chapter IV. These differences are due to the varying practices that have developed in response to conditions prevailing in the local labour market, to the existence or lack of reliable data on outside pay rates or to the difficulty of quantifying fringe benefits. At any given duty station however, identical scales are applied by all organizations.

108. The award of salary increments is subject to the completion of satisfactory service of a specified duration. In most grades the qualifying period is one year. At the higher steps of D-1 and at D-2 the qualifying period is two years. In the United Nations, these periods have been reduced, with effect from 1 January 1972, to 10 and 20 months, respectively, for Professional and higher-level staff members in posts subject to geographical distribution who have demonstrated knowledge of a second official language. ILO grants two increments every five years to deserving staff, and ICAO and WHO apply special increments for long service.

109. As regards allowances, rates are uniform for staff in the Professional and higher categories but vary for General Service in application of the principle governing the determination of their pay on the basis of the best prevailing local conditions of employment. This is true of dependency allowances, of language allowance and of non-resident's allowance. The latter allowance, a pensionable supplement to salary payable to staff normally recruited from outside the country of the duty station, ranges from \$200 a year in New York to \$1,079 in Vienna. In Geneva, the United Nations pays a night differential at the rate of 10 per cent of basic remuneration, but the other organizations in the same city pay it at the rate of 25 per cent.

110. Variations are also to be found in the terms of entitlement to some of the allowances. For example, although all organizations pay a dependency allowance for a secondary dependent only if the staff member does not receive a spouse allowance, FAO pays its General Service staff in Rome dependency allowances for both primary and secondary dependents concurrently. In Santiago, Chile, all organizations employing staff there pay a dependency allowance for a child, not from the date of birth, as is the rule, but from the date of conception, as is the local practice. The influence of local laws is also reflected in the definition of residency for the purpose of establishing entitlement to a non-resident's allowance.

30/ Not included in the statistical tables of this report.

111. Annual leave accrues for all staff at the rate of 30 working days a year. In ICAO, General Service staff have a lower entitlement based on the practice of good outside employers in Montreal.

112. Home leave is granted to internationally recruited staff once in every two years of service outside their home country. A proposal agreed upon by the organizations in 1962 to enable staff serving in difficult duty stations to take home leave after 18 months of service was not approved by the General Assembly, but before the Assembly acted, FAO had decided in favour of the proposal and has since been applying the shorter home-leave cycle for some of its staff serving in designated areas.

113. As compared to the complete uniformity that has been achieved in respect of pension rights, through the operation of the Joint Staff Pension Fund, there is considerable variation between the organizations in their arrangements for medical and hospital insurance, as is clear from the information we received on the subject. Some have their own mutual insurance schemes, and others participate in outside plans. There are differences in contributions paid and in benefits received.

114. A good deal of progress has been made in recent years in reducing divergencies of practice concerning travel and removal expenses. There remain certain differences in regard to standards of travel and time allowed for travel. In the case of travel on home leave, for example, ILO allows travel time up to 30 days when a staff member goes by sea, whereas the general practice is to approve travel time on the basis of transportation by air.

115. Finally, the statutory age of retirement is 60 years, subject to extension in exceptional cases. In FAO it is 62.

116. The foregoing catalogue of divergencies indicates that, at least in so far as the more significant ones are concerned, they are the outcome of due deliberation on the part of the appropriate intergovernmental body. Inasmuch as the membership of the organizations of the common system is, with two exceptions, largely the same, and inasmuch as the function of co-ordination ultimately falls to the intergovernmental bodies, a greater degree of co-ordination at the national level would be required to achieve more uniformity in the common system. Alternatively, as in the case of pensions, the General Assembly might be allowed to act on behalf of all intergovernmental bodies in approving the regulations for the administration of the staff of the service as a whole. However, the latter alternative would involve, first, agreement on the scope of such action by the General Assembly and, second, agreement on the procedure for arriving at recommendations.

117. The first condition could, in our view, be met by specifying what constitutes the essential elements of the common system. These would be applied generally. The other elements would be allowed to vary according to the internal needs of each organization. We believe that the staff regulations of the United Nations provide a convenient framework within which to define the essential elements. For this purpose, it would be necessary to revise the regulations in order to ensure that they contain all the

fundamental conditions of employment, some of which are now set out in the staff rules promulgated by the Secretary-General. The task of revising the regulations should be entrusted to a new regulatory body to be established along the lines we recommend in this report.

118. As regards the second condition, we believe that the establishment of such a regulatory body would provide the appropriate procedure for working out recommendations to be submitted to the General Assembly.

The need for a regulatory commission

119. The executive heads of the organizations, in their joint views on the salary system, the Secretary-General, in his supplementary replies to our questions, and FICSA, in its submission to us, have all expressed themselves in favour of a change in the existing machinery of co-ordination of administrative policy. The executive heads stated that "they have increasingly felt in recent years that some central organ is necessary to deal with many of the common problems with which they are faced in personnel and salary administration". The former Secretary-General of the United Nations U Thant, assessed the existing procedures of determining the conditions of service in the common system as falling "far too short of the standard of efficiency which must be met if the modest resources made available for international co-operation are to be used to full advantage". He accordingly suggested that "serious consideration now be given to the establishment of a regulatory commission in the area of conditions of service generally as it already exists in the area of pensions". FICSA saw in the creation of such a commission a solution to the problems arising at present from repeated discussion of the same issues in various forums before final action by the General Assembly.

120. Having considered the views put before us, we have come to the conclusion that there is an urgent need for a central regulatory body in the United Nations common system and that the functions set out below should be assigned to it.

121. The first of these would be the formulation of proposals on salaries, allowances and benefits. This would involve fact-gathering; evaluation of the data; and recommendation of the appropriate international salary scales to be derived therefrom. Final legislative determination will rest with the General Assembly. Inasmuch as the legislative organs of the agencies currently apply the scales determined by the General Assembly, there should be even less problem when the basic recommendations originate from a commission whose establishment these organs will have endorsed.

122. ICSAB in 1969 drew attention to the weaknesses in data collection and analysis as an obstacle to effective salary reviews. It called for the establishment of a central salary research unit to conduct, on a continuing basis, an expert review of important pay factors as they developed. AGC agreed, but Board discussions in 1970 left in doubt whether the CCAQ secretariat could provide the independence, or the ICSAB secretariat the continuity, necessary for such a unit. As an interim measure, CCAQ has appointed to its secretariat an officer for salary review purposes. A single co-ordinating body could best supervise such a research unit.

123. If the Governments that foot the salary bill are to have confidence in the results, it is clearly essential that evaluation of the data thus collected and the drawing of conclusions relevant to the international salary system must be assigned to an expert and independent authority whose own emoluments cannot be thought to be a factor in the determination to be made. This can be assured by the type of body contemplated. Such a body could also take over the supporting statistical work on cost of living, travel subsistence and the like, which is now divided among organizations.

124. The Commission would serve the further purpose, in preparing its recommendations, of bringing the interested parties together in joint consultative procedures at a single level. By holding hearings at which management and staff would be heard, it could both ease direct confrontation between administrations and their staff associations and abbreviate the long process between the formulation and eventual adoption of a proposal. Such hearings could first test the analysis of the data and then the specific salary proposals that the commission would recommend.

125. There would also be key functions to perform in the determination of General Service salaries. The enunciation of the basic principle (e.g., the criterion of the best prevailing conditions of service in the locality) is generally conceded to belong to the legislative organ; but recommendations as to any modification of basic criteria could best emanate from such a commission. The promulgation of procedures and methodologies in the application of the basic principle could then fall to the commission. It would also follow from the similar function concerning Professional salaries that the commission would have the responsibility for fact-gathering and evaluation of data at all sizable duty stations (with or without exception) and possibly at any field stations. Hearings in the commission as to factual findings and the resulting pay scales would have the advantage, even more than in the case of Professional salaries, of relieving executive heads of a time-consuming bargaining process. The rates of pay could either be promulgated directly by the commission or recommended to the executive head concerned.

126. Closely related to salary determination is the question of allowances. As to those now fixed by the legislative bodies, the commission would make recommendations under procedures similar to those governing Professional salaries. As to others, the promulgation of rates, after evaluation of the data, would be more consistent with a true co-ordinating role.

127. It would be logical for the organ which had the basic responsibility for developing the rates of allowances also to regulate the conditions of entitlement, whether to cash allowances or to other benefits (such as leave).

128. The commission's second function would entail development of common grading standards and supervision of their application in practice. The significance of grading has already been discussed. As ICSAB itself has intimated, it requires a continuing pursuit, with some kind of operational link, rather than occasional calls by an advisory body for progress reports. A minimum function for a central organ with any degree of operational responsibility must therefore be the promulgation of standards in occupation groups common to all or a number of organizations. As to other, more specialized occupations, the least to be sought would be consistency of agency grading

determinations with the more general standards promulgated. Here the commission could be available to advise each organization. For greater effectiveness, it could also conduct reviews, in the manner of an audit, within an organization in order to establish the conformity of its grading to the published standards, reporting any departures to the executive head concerned. At this stage of development, however, it would not be useful for a commission to have authority over individual posts, although on request it could advise as to any specific grading difficulty. A truly expert body could likewise be invited to facilitate the budgetary process by certifying to governing bodies the appropriateness of given reclassifications proposed in the annual or biennial budget estimates.

129. The third function would involve establishment of recruitment standards, development of methods of selection and co-ordination of related functions. Recruitment is a subject into which we envisage no more than an initially very limited entry of the commission. The growing multiplicity of specializations for which the different agencies recruit, the solidified position of their long-established recruitment services and the understandable desire of the executive heads for full control over the flow of this life blood of their services - all of these considerations would make impractical any general centralization of recruitment. Nevertheless, a start seems necessary, if only in order to give support in the actual manning of posts to the unifying function of establishing standards for their classification. Thus, the commission could define standards for the recruitment of junior Professional staff in occupations common to the organizations; conduct competitive examinations on a regional basis or establish other selection techniques; maintain rosters from which organizations would fill vacancies; or certify the qualifications of candidates not already on the rosters. Given an initial success, a broader coverage, or greater functions, could gradually be transferred to the commission.

130. The recruitment of General Service staff is a function to be entered upon with equal circumspection. At duty stations sufficiently large to justify central functions, the commission might serve as a channel for local recruitment. It might also function effectively in non-local recruitment, at least in those regions that are an important source for supplying non-resident General Service staff.

131. The fourth function would involve co-ordination of staff training and career development. The organizations in the common system all agree that the role of a commission should include certain training responsibilities - for example, for organizing special training facilities and programmes where it is economically justifiable to have common facilities. As to training in fields specific to the individual organizations, the commission might at most provide advice. It might also prove useful to give the commission an inspection function, reporting to executive heads as to the adequacy of the training programmes within the organizations. In-service training and career development, for instance, are characteristically internal to any institution, but it seems clear that, if a unified international civil service is to grow up, there should be a source of central review and advice, at least of standard-setting, to assure that career development proceeds in that desired direction. The commission could play such a role.

132. In any event, determination of precise functions in the training field would be subject generally to developments in the expanding role of the United Nations Institute for Training and Research, and more specifically to the possible creation of a Staff College, which the General Assembly at its twenty-sixth session has approved in principle.

Appointment, composition and functions of the proposed intergovernmental civil service commission

133. As is evident from the developments that led to the establishment of our Committee by the General Assembly, we believe that Governments have an abiding interest not only in the broad principles of personnel administration but in the manner in which they are applied. Staff costs represent the major part of the budgets of the organizations. The levels of salaries and allowances, how they are determined and what conditions are laid down for entitlement to allowances are therefore of concern to the General Assembly. Furthermore, the Charter has vested in the General Assembly responsibility for the discharge of the functions of the United Nations in regard to the co-ordination of the policies of the specialized agencies. Inasmuch as much of what the proposed commission is designed to do falls within the area of co-ordination of the administrative policies of the common system as a whole, we consider it appropriate for such a body to be set up as a subsidiary organ of the General Assembly.

134. With Mr. Hillis, Mr. Hull, Mr. McGough and Mr. Milliez dissenting, we accordingly recommend that:

(a) The General Assembly establish a new organ for the regulation and co-ordination of the conditions of service of the United Nations common system, to be named the Intergovernmental Civil Service Commission;

(b) The commission should consist of 13 members, appointed by the General Assembly, including a full-time chairman and one or two full-time members, if the General Assembly deems this additional membership necessary;

(c) The members of the commission should be selected on the basis of broad geographical representation, personal qualifications and experience in national or international administration. They should be appointed for a term of four years, provided, however, that in the first selection, six of the members should be appointed for a term of two years. They should not be eligible for appointment to the Secretariats of the organizations within four years after completion of their terms;

(d) The commission should be responsible for the formulation of recommendations to the General Assembly on the salaries of staff members in the Professional and higher categories, on allowances and benefits and on the conditions of entitlement thereto. It should develop grading standards for the United Nations common system as a whole and supervise their application, establish standards of recruitment and co-ordinate staff training and career development, securing for the organizations of the United Nations family staff of the highest standards of efficiency, competence and integrity, due regard being paid in the recruitment of staff to the principle of equitable geographical distribution;

(e) The commission may invite the chief administrative officers of the organizations in the common system or their representatives and representatives of the staff associations to present their views and assist it in its deliberations;

(f) The seat of the commission should be Geneva. The commission, however, may, meet at another headquarters of an organization in the United Nations common system whenever it considers it desirable;

(g) The commission should have an appropriate staff assigned to it;

(h) The commission should submit to the General Assembly an annual report on its work.

135. As regards the composition of the new commission, we recommend that the 13 members should be selected as follows: one member from each of the States that are permanent members of the Security Council, two members from States in Africa, two from Asia, one from eastern Europe, two from Latin America and one from States in western Europe and others. The Chairman should be a national of any State other than those that are permanent members of the Security Council.

136. We believe that the proposed commission would bring about a substantial improvement in the functioning of the common system. The commission would replace a number of existing interagency organs of co-ordination. We have in mind, first the independent bodies established by ACC to advise it on conditions of service, namely, the International Civil Service Advisory Board (ICSAB) and the Expert Committee on Post Adjustments (ECPA), and, second, the Consultative Committee on Administrative Questions (CCAQ), which, as already noted, assists ACC in the discharge of its responsibilities for co-ordination of policies and practices at the intersecretariat level. In addition, the commission would assume responsibility for certain rate-fixing functions, such as General Service salaries at offices outside the headquarters locations and rates of travel subsistence allowance, which are at present shared between the United Nations, UNDP and WHO.

137. The four dissenting members share our conclusion that there is an urgent need for a civil service commission, but differ from us in regard to the assessment of its functions and powers. They conceive the commission as a body of essentially administrative functions which, by their nature, do not fall within the jurisdiction of the General Assembly or of the deliberative organs of the specialized agencies. Such matters as collection and evaluation of data relevant to proposals on pay adjustments, issuance of rules in implementation of policy decisions, setting of recruitment standards, classification of posts and co-ordination of training invariably come within the purview of administrative, rather than legislative, authorities. It would, therefore, not be desirable, they maintain, to establish the commission as yet another subsidiary organ of the General Assembly concerned with administrative and budgetary functions. In addition, since the powers to be conferred upon the commission would, for most organizations, have to be transferred from the executive heads, they doubt whether such transfer would be made by the organizations to an organ in the establishment of which they would have had no role to play. Accordingly, they favour a commission of a tripartite composition, along the lines of the Joint Staff Pension Board, or of independent experts or of experts designated by both Governments and executive heads.

Chapter III^{31/}

THE SALARY SYSTEM FOR STAFF IN THE
PROFESSIONAL AND HIGHER CATEGORIES

Guiding principle

138. The General Assembly resolution which established the Special Committee states that the General Assembly was "convinced that the Noblemaire principle which has been the basis of the international salary system has led to a number of serious anomalies in its contemporary application".

139. This principle says in effect that since there should be no difference in salary on the grounds of nationality, the conditions of service of the international staff must be such as to attract citizens of the country with the highest pay levels.

140. In applying this principle, account is taken of the relative costs of living at the various duty stations. The salaries established under the basic principle are thus subject to variation, in accordance with the policy adopted in 1957, by the addition or deduction of an appropriate amount of post adjustment, which is designed to ensure as far as possible that such salaries represent the same value, in terms of purchasing power, at all offices.

141. It is this combined application of the Noblemaire principle, with its built-in expatriation factor in the base scales, and of the post adjustment system, which has occasioned most of the anomalies in the salary system which are referred to in the resolution. The criticisms run as follows: 32/

31/ Mr. Hillis, Mr. Mariko, Mr. McGough and Mr. Milliez disagree with the analysis in this chapter and consequently with the conclusions of the majority. Their views are set out in their dissenting statement annexed to the report.

32/ For details, see report of the International Civil Service Advisory Board (A/C.5/1240); report of the Advisory Committee on Administrative and Budgetary Questions (A/8008/Add.3); report of the Fifth Committee (A/8099, para. 61); and provisional summary records of the meetings of the Fifth Committee (A/C.5/SR.1383-1404).

(a) United Nations base salaries are fixed by reference to the salaries of the highest national civil service (that of the United States of America) and are therefore deemed to be adequate to attract staff from all countries. But since these are fixed with reference to the base city (Geneva) they are augmented at New York by post adjustment. As a result, basic remuneration (base salary plus post adjustment) at New York is more than sufficient to attract staff of all nationalities (including the United States of America);

(b) Geneva, like nearly all duty stations, has a lower cost-of-living than New York. A salary fixed by reference to United States salaries is therefore worth more in Geneva (and in most other duty stations) in purchasing power than at New York;

(c) Since salaries at any post are the same for all nationalities, an American serving in New York receives the same basic remuneration as a non-American, although the salary already contains a compensation for expatriation. But if he moves from New York to a duty station abroad where the cost of living is lower, his remuneration (in money terms) is less than in New York. The same applies to say a Frenchman working at UNESCO headquarters in Paris, or an Italian working at FAO headquarters in Rome;

(d) The application of the principle links the international salary system directly to that of a single country, viz. the United States of America. This is considered questionable in principle, and means in practice that salaries are more than is sufficient to attract and retain the great majority of professional staff;

(e) Moreover, the linkage of the two systems for salary determination would be more appropriate if the comparison of United Nations with United States grades were based on comparative job evaluation.

142. Among the views on the salary system we received in the course of our inquiry were several specific comments on the Noblemaire principle and possible alternatives to it. These are given in paragraphs 1-12 of appendix A to this chapter. In our search for new basic principles or criteria we considered the various comments received and the criticisms described in paragraph 4 seeking a methodology for establishing and periodically updating the United Nations salary scales in a manner which would be fair to the three parties concerned: the Member States, the administrations and the staff. At no stage was any member of the Committee in favour of change for the sake of change, but we were throughout conscious of the views expressed by Member States and the executive heads and other senior officials of the United Nations, its specialized agencies and the IAEA, who were good enough to appear before us. We have also been conscious of

the human factor - the natural concern of staff and the Administrations about emoluments and the need for personnel to maintain a standard of living appropriate to their standing in a period of global inflation, and at a time of very considerable financial uncertainty arising out of a fluid international monetary situation.

143. In summary we considered four main proposals relating to the basic principle for the determination of international salaries:

- (a) To abandon the Noblemaire principle altogether and to introduce instead a method for future adjustments of the salary scales as approved by the General Assembly with effect from 1 July 1971 (France);
- (b) To replace the Noblemaire principle by the averaging principle (Federal Republic of Germany, Japan, United States and the Director General of IAEA);
- (c) To establish two regional salary scales, a European and North American;
- (d) To modify the method of applying the Noblemaire principle (Japan, ACC).

144. As to the first proposal, in the light of the need to preserve the universal character of international organizations we did not see any way of abandoning entirely the Noblemaire principle without first formulating an alternative concept which would ensure recruitment of personnel from all countries including the highest paying. The proposal to sever the link between the United Nations salaries and those of any particular national civil service, and, to use the present salary scales as a basis for future adjustments, avoids the issue of propounding a new principle. This, in fact, was the way the issue of principle was resolved by the Salary Review Committee of 1956. With a slight modification at the senior grades, it left the salary scales unchanged and provided a method for future adjustments. But this approach seems to us to be insufficient a response to the criticism of the present arrangements. In addition, by maintaining the present scales and merely revising them upward from time to time, to protect international civil servants against the effects of cost-of-living variations and to enable them to share in the rise of standards of living, we might perpetuate and even compound the existing anomalies. In the last analysis, there must be a basic principle to govern the fixing of international salaries, a yardstick against which to measure the adequacy of such salaries in relation to outside practice. Although we recognize the difficulty of determining which outside practice is relevant, we do not believe that it would be desirable to allow the international salaries to float independently of outside pay systems.

145. As the concept of introducing the averaging principle was also put forward by the Governments of the Federal Republic of Germany, Japan, the United States and by the Director-General of the IAEA, we examined it in considerable detail. It seemed to us to offer an attractive alternative to the Noblemaire principle; first, because it would dissociate the United Nations salary system from that of a single Government; second, because it would reflect more accurately the greater share of Europe, in the work of the international organizations both in terms of the number of nationals serving in them and in terms of the number of staff assigned to offices on that continent. With this in mind we commissioned an independent survey of the salaries, allowances and benefits of government employees working in the seven headquarters countries, and those working in the field on bilateral technical assistance programmes to evaluate inter alia the emoluments of the United Nations in relation to those of host countries of the organizations in the common system.

146. The consultant's survey revealed that the emoluments of the United Nations staff assigned to duty stations in Europe are twice as high, and sometimes even three or four times higher than the emoluments received by officers of grades deemed comparable in national civil services in the five European headquarters countries. One reason we abandoned the averaging principle was because the resultant figures for the base salary scales would have been too low, even if we averaged the single highest paying European national salary and the United States federal pay. We recognized that changes of this magnitude would impose hardship on staff. Another significant factor which emerged and influenced our decision was the difficulty of establishing points of comparison between the United Nations salary scales and those of the five European headquarters countries, all of which have career-oriented services, whereas the United Nations organizations are job-oriented as is the United States Federal Service. We therefore reluctantly rejected the possibility of formulating this alternative to the Noblemaire principle.

147. We then considered a proposal put forward by Mr. Bello, Mr. Chowaniec and Mr. Koulazhenkov under which a dual scale of salaries would replace the present single scale. One scale would be geared to European rates, defined in terms of a European currency (e.g. Swiss francs), and applied to all staff of the United Nations organizations, except those who were assigned to duty stations in North America. The other scale would be geared to North American rates, expressed in United States dollars and applied to all staff working at the United Nations Headquarters, ICAO Headquarters and at Washington, D.C. In its broad outline, the dual salary system also envisaged the possibility of dispensing with post adjustments altogether or of applying a dual system of post adjustments. As in the case of the averaging principle, most of us believe that the dual salary system concept may be difficult to apply but it has not been worked out in detail. In addition, it may raise questions of possible

inconsistency with the basic concept of a unified international civil service embodied in the Charter. Some of us consider that the question of the possible adoption of regional salary systems should be transmitted to the proposed intergovernmental civil service commission for further study and preparation of the appropriate recommendation.

148. In examining alternative methods of modifying the present application of the Noblemaire principle, that of Japan seemed to us to involve a single comparison between United Nations and United States salaries, inasmuch as the United States salaries are the same at all duty stations, whether at home or abroad, the differentiation being made not in salary but in allowances. A weighted geometric average of the results obtained from a comparison of United Nations and United States salaries at all headquarters locations would therefore not meet the central point of criticism of the present practice, which was that the fixing of United Nations salaries by reference to the United States salaries combined with the application of post adjustments to those salaries produced rates of pay in excess of what was necessary to attract staff from all countries of the world. Mr. Chiba notes that the proposal of Japan involved making a comparison between United Nations and United States salaries by aggregating the difference in presumed United States salaries after application of the income tax rates of the headquarters countries and the difference resulting from different post adjustment classifications in the United Nations total net remuneration in these same countries.

149. Instead, a central concept in the ACC proposals seemed to most of us to provide another fruitful line of inquiry. They pointed out that: "Conditions in 1946 and today differ in one very important respect from conditions in 1920, when the Noblemaire principle was established. At that time, the headquarters of the League was outside the highest paid country; today the headquarters of the largest organization is inside the highest paid country. In the view of the executive heads, the anomalies of the salary system spring from a failure to appreciate sufficiently the effect of this difference and, in particular, a failure to distinguish sufficiently between base pay and over-all remuneration." They also indicated as their considered view that

"(a) the appropriate base for the post adjustment system could be decided independently of the question of the base scales; and

(b) in principle, at the base city, as elsewhere, the base salary scale need not by itself suffice to attract staff from all parts of the world. In so far as the base scale did not suffice, allowances would be added".

150. All members were certainly conscious that the United Nations salary linkage with that of the **highest** paying country and the presence of the main United Nations headquarters in the most expensive city of the same country is a major cause of many of the present difficulties. All but one member agreed that at present there is no ready alternative to the Noblemaire principle which would have fewer anomalies. Nevertheless,

we felt that it is necessary to introduce a modification in its application by which total United Nations emoluments are compared with the level of the highest paying country. The approach suggested by ACC in 149 (b) above should be applied to the evolution of a base salary scale related to the base city.

151. The essence of the ACC proposal is that the United Nations basic emoluments should first be fixed in relation to the United States Federal pay scales with a base city in the United States. For this they suggested Washington. In their view, however, Geneva should still remain the base city for the calculation of the United Nations salary scale to which an allowance would be added to bring about the basic emoluments considered suitable for Washington. In effect this means applying the test of recruitment for personnel from the highest pay in a country in the capital city of that country. In the opinion of the ACC the basic United Nations emoluments should be somewhat above the United States pay scales, and that by appropriate reduction for the lower cost of living in Geneva a United Nations net pay scale would emerge in Geneva somewhat lower than the United States federal pay. Washington was given preference as the United States base city because New York was considered too expensive.

152. In examining the ACC proposal we concluded that it might perhaps be rather too limited in scope to provide a satisfactory solution. In any case, events have overtaken the main premise in the proposal. There are three main reasons for our conclusion:

(a) The realignment of the world currencies that took place after ACC had put forward its proposal has brought the cost of living in Geneva, as measured by the index of post adjustment, to the level of that in Washington. There would thus be no advantage in choosing Washington as a point of reference for establishing United Nations salary scales, inasmuch as there would now be no difference in the cost of living by which to reduce them for application in Geneva and elsewhere in the common system.

(b) If the United States salaries are to be used as an indicator of what level of pay is needed to attract United States nationals to work in the United Nations in their own country, the appropriate point of reference should be New York, where they are to be employed rather than Washington.

(c) It is not necessary to establish the United Nations salary scales above, or on a par with, those of the United States to attract United States nationals to work for the United Nations. The post adjustment has become an integral part of the United Nations pay system. It must therefore be included in any pay comparison. Furthermore, given the relatively low percentage of United States nationals on the staff

of the organizations (14.3 per cent), as compared to the percentage of nationals from European countries (8.2 and 47.2 per cent, respectively for Eastern and Western Europe), we believe that some account should be taken of salaries prevailing in Europe.

153. Having thus explored the various alternatives to the present system, we have come to the following conclusions:

(a) In accordance with the concept of a unified international civil service embodied in the Charter, the staff recruited for international service should be subject to a single salary scale applied universally;

(b) The single salary scale should be established on the basis of relevant national practice so as to ensure that an outside point of reference is used for periodic pay adjustments;

(c) By reason of its job-oriented nature, extensive classification system and long relationship with the United Nations salary system, the federal civil service of the United States provides at present the only acceptable point of reference for United Nations salary determinations;

(d) Since the overwhelming majority of the staff members recruited for international service are expatriate, and all of them are liable to be assigned to any of the offices or activities of the Organization, their basic remuneration, that is, salary as adjusted for cost of living variations, should be established at a level somewhat above that of the United States federal civil service for comparable work.

Base of the system

154. As already noted in paragraph 141 above, much of the recent criticism of the United Nations salary system was directed against the effect of using Geneva as the base of the system. This is also reflected in the resolution establishing our Committee, paragraph 2(b) of which specifically refers to the base of the system as one of the issues to be reviewed. We considered the four views on the question of the base submitted to us by governments in response to the invitation contained in the resolution. A detailed summary of the points examined is given in paragraphs 13-19 of appendix A to this chapter.

155. It follows from our conclusions (para. 152) on the principle governing the salary system that we are not in favour of continuing the present practice under which Geneva is the base of the system. It seems to us that the central factor is undoubtedly that we have to have a base of the system in the same country used for the determination of the salary scale, i.e. United States. Therefore, we recommend that the base of the United Nations salary system should be moved to New York for the reasons given below:

- (a) It is the headquarters of the United Nations and houses a large segment of staff in the common system.
- (b) Unlike Washington it has more than enough staff to provide a sound basis for statistical comparisons for cost-of-living.
- (c) If the relationship of basic remuneration to United States pay scales is sufficient in New York, the operation of the post adjustment system will make the basic remuneration sufficient at all other locations.
- (d) The prevailing currency is the currency on which all United Nations emoluments are based.
- (e) Our proposal will not involve any significant increase in the number of duty stations where a minus salary differential is applicable.

156. Mr. Milliez considers that the statement made in paragraph 155, subparagraph (c), fails to take account of the fact that the United States Government, in order to induce its Federal civil servants to serve on secondment to United Nations bodies outside the United States of America, finds it necessary to pay them special allowances under Public Law 91 - 175, representing up to 40 per cent of salary.

157. Mr. Hull notes that such supplements are not payable while an official is employed in an international organization, but only if and when he leaves the international organization and returns to his government agency. The size of the payment is limited in all cases to the emoluments that American government officials receive when abroad on official assignment, including quarters allowance, education allowance and hardship differential.

Basic remuneration

158. Under the present method of determining salaries for staff in the Professional and higher categories by reference to United States salaries, comparisons are made between the aggregate of three elements of remuneration on the United Nations side and one element on the United States side. The three United Nations elements are (a) salary, (b) post adjustment and (c) spouse allowance. The one United States element is salary. Post adjustment is included in the comparison because it has, in effect, become an integral part of the United Nations basic remuneration: all Professional and higher level staff assigned to Geneva, the base city, and, for that matter, to practically all of the major duty stations, now receive a post adjustment. Spouse allowance is included because it corresponds to the tax benefit in respect of a spouse under the United States system.

159. The three elements of United Nations basic remuneration differ, however, from each other in two respects. First, salary is expressed in terms of gross, whereas post adjustment and spouse allowance are net amounts. Second, salary in

its gross amount is fully pensionable, whereas only a part of the post adjustment may become pensionable, and usually only for a short period. Spouse allowance is not pensionable. The present method of establishing United Nations salaries on the basis of United States salaries thus presents problems of comparability.

160. The post adjustment is added to, or deducted from, salary in amounts related to the net salary for each step of each grade. The rates of post adjustment (see appendix B) which have also been in effect from 1 July 1971, represent approximately 4.6 per cent of net salary for each 5 per cent cost-of-living difference at the P-1 level and smaller percentages at the higher levels; at the D-2 level the post adjustment is approximately 4 per cent of net salary. Each duty station is classified according to its cost of living in relation to that of Geneva, the base city, in January 1969, which is taken as 100 for the purpose of the post adjustment system. Thus, as of January 1972, New York was in class 8 under the post adjustment classification, meaning that the cost of living in New York was then about 40 per cent higher than that of Geneva in January 1969. During the same three-year period, the cost of living in Geneva changed both as a result of price rises and in consequence of the recent realignment of currencies, so that in January 1972 Geneva was in class 5 of post adjustment.

161. Mr. Chiba, Mr. Chowaniec and Mr. Koulazhenkov note in this connexion that New York was placed in class 8 of the post adjustment classification with effect from 1 July 1971 although, in accordance with the index of the United Nations statistical service, New York should have been in class 7 on that date. This, in their opinion, points out the existing defects in the operation of the post adjustment system.

162. For the purpose of our immediate discussion of the present method of comparing United Nations basic remuneration with United States salary, it should suffice to note that the dependency allowance for a spouse of a staff member in the Professional and higher categories is \$400 per year.

163. We decided that in order to make the comparisons more meaningful in terms of take-home pay, the amounts compared should continue to be calculated on a net basis. The United Nations net salary is obtained by applying to the gross salary the appropriate rate of staff assessment, which is the United Nations equivalent of income tax. The United States net salary is calculated by applying the appropriate rate of income tax and by using the standard deductions available to a married United States federal employee under the income tax provisions. Since comparisons are made with the salary of a United States federal employee working in New York, the income tax applied includes federal, state and city income taxes. This method of comparing United Nations and United States pay avoids serious distortions that would arise if gross salaries were used, because the rates of staff assessment and of income tax are not the same; nor are they revised on the same date. Even so, it still produces only an approximation of take-home pay, because, unlike the staff assessment, which is applied uniformly, the income tax provides for a range of deductions that enable individual employees to meet their particular circumstances.

164. Finally, the method of comparison now in effect requires linking certain grades in the United Nations salary structure with corresponding grades in the United States schedule. The linkage points were originally selected, not on the basis of equating a grade in one system with a grade in the other by evaluating the jobs at those grades but on the basis of a broad assessment of the entry and top grades in the two systems defining their respective career spans and of the equivalent grades in between. The fact that in the United Nations salary structure there are only seven grades and that in the United States there are twelve has further complicated the selection of the specific linkage points.

165. In considering what the level of United Nations basic remuneration should be in relation to United States pay scales, we examined the relationships that resulted from the last review of the United Nations salary system. The 1956 Salary Review Committee, we found, had recommended that no change should be made in base salary, except for an increase at a Director (D-2) and Under Secretary level. However, the introduction of the new system of post adjustments resulted in pay increase in most major duty stations, including New York. The ratios to United States scales of pay were increased in New York as shown in the table below:

COMPARISON OF UNITED NATIONS NET REMUNERATION (EXISTING AND AS PROPOSED
 BY THE 1956 SALARY REVIEW COMMITTEE) IN NEW YORK WITH UNITED
 STATES CIVIL SERVICE NET REMUNERATION IN NEW YORK FOR
 MARRIED STAFF WITH NO DEPENDENT CHILDREN BY TRADITIONAL
 GRADE MATCHING

(1 January 1956)

(in US dollars)

Level and step	US Civil Service	UNITED NATIONS	
		Existing	Proposed
US GS-7 step 1) UN P-1 step 1)	3,920 (100)	4,140 (105.6)	4,550. (116.1)
US GS-12 step 1) UN P-3 step 5)	6,292 (100)	7,645 (121.5)	8,100 (128.7)
US GS-14 step 1) UN P-4 step 5)	8,371 (100)	9,101 (108.7)	9,625 (115.0)
US GS-15 step 1) UN P-5 step 1)	9,284 (100)	9,586 (103.3)	10,250 (110.4)
US GS-16 step 1) UN D-1 step 1)	10,185 (100)	10,798 (106.0)	11,625 (114.1)
US GS-18 UN D-2 maximum)	12,090 (100)	12,900 (106.7)	14,300 (118.3)

166. The combination of automatic increases in post adjustments, and successive base salary increases agreed upon by the United Nations General Assembly for application from 1962, 1966, 1969 and 1971, has resulted in increasing substantially the margin of United Nations emoluments over United States salary levels. From margins in 1956 ranging from 10.4 to 28.7, we found that by July 1971 they were between 27.2 per cent and 44.1 per cent above corresponding United States net federal pay in New York. Consequent upon an increase in United States federal pay scales from 1 January 1972, the United Nations net emoluments now stand at a figure which ranges from 18.6 per cent to 35.2 per cent above comparable net United States federal pay in New York. The exact position is given in the table below:

Relationship between United Nations basic remuneration in New York
and United States salary in New York as of 1 January 1972
(For a married official with no children)

<u>Grades linked</u>		<u>United Nations basic remuneration (net)</u>				<u>United States salary</u>	<u>Ratio</u>	<u>(US = 100)</u>
<u>United Nations</u>	<u>United States</u>	<u>Salary</u>	<u>Post Adjustment</u>	<u>Spouse Allowance</u>	<u>Total</u>			
		\$	\$	\$	\$			
P-1/1	GS-7/1	7,258	2,592	400	10,250	7,795	131.5	(139.6) ^{33/}
P-3/5	GS-12/1	12,597	4,416	400	17,413	12,878	135.2	(144.1)
P-4/5	GS-14/1	15,034	5,208	400	20,642	16,765	123.1	(130.7)
P-5/1	GS-15/1	16,555	5,688	400	22,643	18,917	119.7	(127.3)
D-1/1	GS-16/1	18,600	6,240	400	25,240	21,276	118.6	(127.2)
D-2/4	GS-18	23,146	7,416	400	30,962	24,675	125.5	(127.4)

The United Nations (Geneva)/United States (New York) ratios for the same grades and steps for 1 January 1972 are 119.0, 122.4, 111.5, 108.4, 107.6 and 114.2 to 100, respectively.

167. It is this substantial margin of United Nations remuneration over United States salary that has been one of the main targets of criticism of the existing method of determining the salaries for the United Nations common system, a criticism most of us share. We recognize that the figures representing the relationship between the two salary systems are no more than a guide. The comparison is clearly not complete, first, because the United Nations staff consists overwhelmingly of persons working away from their home country, whereas the United States employees work in this home country, and, second, because the elements of pay compared differ in nature. Nevertheless, most of us think that, even allowing for these differences, the present total remuneration of United Nations staff, both at New York and elsewhere, is too high in relation to the salary of the highest paid national civil service.

168. The tables in paragraphs 165 and 166 provide useful information on past and present ratios of United Nations basic remuneration to United States net pay scales. In our search for a method of comparison of United Nations/United States scales, we

^{33/} The figures in parenthesis represent the ratios resulting from the increase on 1 July 1971.

considered the suggestion of some members that the most valid statistical method would be to apply an average of all United Nations grade levels weighted by the number of personnel in each grade. This resulted in a weighted average of 118.2 per cent of United States pay levels when calculated for the 1956 Committee recommendations, as shown in paragraph 156. We also considered using a weighted average of grades P-3, P-4 and P-5, in which the bulk of all employees are found. However, there is no comparable weighting available for the United States grades in 1956 which would be essential to make fair comparisons. In the view of most members this procedure would also imply a degree of precision to what most members felt should only be a guide - a kind of warning light - that would indicate when it would be appropriate for the General Assembly to consider base salary increases. This led most of us to the conclusion that the only practical method was to select one grade. We therefore decided that P-4 was the most appropriate level to use as it contains the highest percentage of professional staff in New York and one quarter of all personnel in the common system.

169. In paragraphs 182 to 187 we have examined in detail a proposal to develop new matching points. As we did not have adequate data to develop accurately new comparisons, we decided to recommend the continued use of the so called "traditional matching points" relating levels of United Nations and United States grades. According to this matching, United Nations grade P4/5 is equated with GS-14/1. However, some of us consider that the traditional method of comparison understates the excess of United Nations remuneration over United States salary as a result of the manner in which the two pay systems are linked. In particular, it seems unrealistic to link the top step of D-2 with the top grade of the United States scale (GS-18), given the very substantial duties and responsibilities attaching to positions of the latter and the rather low percentage of such positions as compared to that of D-2.

170. There was a wide divergence in approach among members on the extent to which United Nations basic remuneration should be above the ceilings of United States federal pay. Some members considered that for New York at grade P-4/5 a United Nations/United States margin of 105 would be adequate; others held that 118 to 123 was more realistic, and one member reserved his position on the basis that no comparisons are feasible with any national service. Despite prolonged efforts to arrive at unanimity, it was not possible to reconcile all the conflicting views. Ultimately, we decided that the United Nations/United States ratio for New York should not exceed 115 with three members holding that the ratio should be 118 and one member maintaining that no comparisons could properly be made with the United States federal scales. This decision was also taken because many members saw no reason and received no convincing data to show why the margin over United States salaries paid in New York needed to be increased beyond margins deemed suitable by our predecessor committee, even though the General Assembly in 1957 increased this ratio to 119.2 at New York.

171. Present professional salary scales assume that members are subject to transfer and are expatriate. Yet more than half have never served at more than one duty station and 10.4 per cent are serving in their own country. Therefore, we considered dividing present salary into a base salary and an international service allowance; the latter to be paid to all staff and to be reduced gradually after five years if the employee was not transferred. We first examined the possibility that the United Nations basic emoluments, if set at 115 of United States federal pay, could be divided into three elements: base pay 75 per cent, an International Service Allowance of 15 per cent to cover both mobility and expatriation, and 25 per cent to cover post adjustment in New York. This would keep to a minimum the number of places where minus post adjustments need to be applied.

172. Our views evolved during the discussion. We dropped the mobility concept because of potential inequity to employees who for various reasons could not be transferred even though they may desire it. This led us to consider a base salary of 85 per cent of United States pay scales, with an expatriation allowance of 5 per cent - the balance up to 115 being covered by the post adjustment. While the idea appealed to many members, we abandoned it because it would itself create an anomaly. The largest number of employees representing the highest proportion of non-expatriates would be denied such an allowance in New York; thus staff from the highest paying national service would receive less than staff from lower paying countries. Therefore, we finally decided that there was no satisfactory alternative to continuing to pay the same basic remuneration to all professional staff.

173. It was clear to us that, at the time the ratio of 115 was reached at New York, the United Nations basic pay scale for P.4, step 5, would be below its present level of 89.7 per cent of United States net federal pay and that, therefore, it would be better to provide a range within which the relationship should be maintained. In order to allow for greater flexibility in implementing this formula in practice, and in recognition of the fact that the present ratio of United Nations remuneration to United States salary levels differs at different grades, we have decided to recommend that the base salary itself should range from 75 to 85 per cent of United States pay levels. In taking this decision we were also influenced by the need to ensure that the resultant post adjustment element should be large enough to reduce to a minimum the number of duty stations with a minus post adjustment.

174. In summary, we make the following recommendations:

(i) The salary scales approved by General Assembly resolution 2742 (XXV) of 17 December 1970 for application with effect from 1 July 1971 should remain unchanged until the ratio of United Nations basic remuneration in New York at P-4, step V, to United States salary in New York, at GS-14, step 1, now at 123.1, has dropped below 115, or until 1 January 1975, whichever is earlier;

(ii) For the purpose of the initial determination of the United Nations/United States ratio, United Nations basic remuneration, i.e. net salary, post adjustment and spouse allowance, should be compared with the United States net salary for a married official with no children;

(iii) Subsequent determinations of the United Nations/United States ratio should be made by using the United Nations basic remuneration as defined in paragraph 163 above and by linking such grades in the United Nations and United States salary structures as may be found equivalent by the proposed **intergovernmental civil service commission** (see paras. 184-188);

(iv) With effect from 1 January 1975, or such earlier date as the General Assembly may decide, the net salary scales for staff in the professional and higher categories should be revised in accordance with the indices shown in appendix D to chapter III.

Post adjustment

175. We devoted much of our time to the discussion of the post adjustment system. We first considered the detailed and thoughtful analysis provided by the expert study on post adjustments prepared at the Committee's request by Mr. Frochoux (A/AC.150/R.9). After extensive discussion it became clear that two distinct lines of thought were developing within the Committee. One group believed that an adoption of most of the Frochoux recommendations would improve what is basically a sound system. The majority of members, however, believed that there was a need for a fundamental change in concept, or at any rate a more thorough study. One such change involves eliminating the feature that provides an automatic increase in pay whenever the cost-of-living rises five points. Another important change is to reconsider the statistical formulae that appear to provide higher than warranted post adjustment at several major duty stations.

176. Some members of the Committee suggested that the present system of post adjustment might be changed to a substantially different one, a system without an automatic feature at the base and compensating for changes in the cost-of-living at all other duty stations only in relation to changes at the base. Such a system, they argued, would make it possible to attain and then to keep the derived ratio between United Nations total remuneration and United States salary levels relatively stable. Any future adjustments in United Nations remuneration at the base city would be made in response to changes in salary levels in the United States federal service, not in response to cost-of-living increases in New York. This would establish a single reference point for salary adjustments at the base city. It is evident that increases in salary levels for the United States civil service not only compensate fully for any increases in the cost-of-living but, in addition, provide a substantial increase in real purchasing power, as has been clearly demonstrated over the last 15 years.

177. We concluded that in the absence of an agreed upon alternative the present post adjustment system should be continued for the time being.

178. We also agreed that the principle of uniform application of the rules governing the post adjustment requires that, when minus post adjustments are established because of unusually low cost-of-living conditions, they must be applied without exceptions.

179. The post adjustment system itself must be thoroughly re-examined. We urge that the General Assembly commission an immediate study of experts of the concepts basic to the system with particular attention to:

- (a) the feasibility of instituting a system without automatic increases at the base and compensating for changes in the cost-of-living at all other duty stations only in relation to changes at the base;
- (b) the appropriateness of the present statistical formulae that are being used and that may unjustifiably be providing higher post adjustments than necessary;
- (c) the methods of conducting comparative cost-of-living surveys in relation to the base;
- (d) the advisability of changing the post adjustment system from the net basis, as at present, to a gross basis, as suggested by our consultant, taking into consideration all possible implications that such a change might involve;

- (e) the desirability of applying two staff assessment rates, one for staff with dependants, and one for staff without dependants so that benefits in respect of dependants might be reflected in the staff assessment plan instead of being in the form of flat rates, as at present.
- (f) the exclusion of the 7 per cent of gross salary spent on pension contribution from the calculation of post adjustment, and any portion of salary, such as personal savings and other similar features, which is not affected by changes in cost-of-living in the duty station.

180. We urge the General Assembly to require that the experts should complete their study of the post adjustment system by the end of June 1973 and report their findings to the twenty-eighth session of the General Assembly.

181. Mr. Hull, while accepting the view of the majority that the basic concepts of the system needed re-examination, nevertheless felt that the Committee should endorse several specific proposals put forward in the Frochaux report. The General Assembly, if it wished, could place these changes into effect at once, thereby eliminating payments which are not justified even by the terms of reference of the existing system. The specific proposals these members wished to have adopted, of which only the last was accepted by most members, are as follows:

(i) The system of post adjustments, which is designed to achieve equivalence of purchasing power of the salaries paid to staff members at the various duty stations and is now operating on the basis of net salaries, should, in future, be applied to gross salaries;

(ii) The present distinction in the post adjustment system, under which staff with dependants are paid at a higher rate than those without dependants, should be discontinued. Instead, the benefits in respect of dependants should be reflected in the staff assessment plan and in the dependency allowances. The staff assessment applied to professional and higher salaries should accordingly be revised by the application of two rates, one for staff without dependants, which would be 4 per cent higher, and one for staff with dependants;

(iii) The 7 per cent of gross salary spent on pension contribution, which is the same for all staff members of a given grade and step, whatever their duty station, should be excluded from the calculation of post adjustment. For each 5 per cent of rise or fall in the cost of living, the post adjustment should thus be 4.65 per cent of gross salary;

(iv) A change in the classification of a duty station in the schedule of post adjustments should take place when the cost of living has moved by 5 per cent in relation to the preceding class, rather than in relation to the base 100.

Matching Points

182. We noted in the course of our review that the traditional matching points between United Nations and United States pay scales had also been questioned by ICSAB. In response to the Board's request, the organizations, in 1967 consulted a United States classification expert who had been seconded to CCAQ to assist in developing common grading standards for some of the occupations found in all organizations. In the absence of data for establishing true comparability, the United States expert confined himself to a broad comparison that linked the United Nations and United States grades. Shown below is the comparison between the matching points traditionally used and those suggested by the United States expert in 1967:

Comparison between traditional matching points of United States and United Nations and matchings of 1967 survey by United States experts

<u>Traditional</u>	<u>United States experts</u>
GS-7/1 - P-1/1	P-1/1 - GS-5 and 7
GS-12/1 - P-3/5	P-2/1 - GS-9 and 11
GS-14/1 - P-4/5	P-3/1 - GS-11 and 12
GS-15/1 - P-5/1	P-4/1 - GS-13 and 14
GS-16/1 - D-1/1	P-5/1 - GS-14 and 15
GS-18 - D-2/4	

In suggesting his grade correspondence, the expert pointed out that it was based on grading standards developed for four United Nations occupations only (budget officer, interpreter, statistician and translator); that the United States grades covered a narrower span of difficulty and responsibility; and that promotions were more rapid in the United States civil service. In the light of this opinion, ICSAB decided to maintain the traditional grade comparisons.

183. The Committee requested its United States member to review the comparisons. We agreed with his opinion that the 1967 expert study provided too low a United States level for matching entry levels and too high a level at the upper end of the pay scale. The entry level in the United States service is now GS-7, and P-1 should be compared to that level. At the upper level, the traditional matching of GS-18 and D-2, step 4, is far too high and seems unrealistic as discussed in para. 169 above.

184. The table below compares current gross basic salary of the United States with that of the United Nations using the slightly modified grade comparisons as explained in para. 183.

	<u>United Nations</u>	<u>United States</u>	<u>Ratio of United Nations to United States</u>
P-1/1	\$9,010		
GS-7/1		\$9,053	99.5
P-2/1	\$11,820		
GS-9 and 11		\$12,178 <u>34/</u>	97.1
P-3/1	\$14,690		
GS-11 and 12		\$14,588 <u>34/</u>	100.7
P-4/1	\$18,120		
GS-13 and 14		\$20,348 <u>34/</u>	89.0
P-5/1	\$22,700		
GS-14 and 15		\$23,772 <u>34/</u>	95.5

34/ Arithmetic average of first steps of two grades.

185. Many members believe, in the light of the foregoing discussion, that the following matching points should be substituted for the traditional ones when comparing United States and United Nations scales:

GS- 7/1	-	P-1/1
GS- 9/4	-	P-2/1
GS-11/4	-	P-3/1
GS-13/1	-	P-4/1
GS-14/2	-	P-5/1

186. Most members of the Committee were of the opinion that before the traditional matching points are discarded and new ones introduced in their place, the change will have to be substantiated by a proper job evaluation. This is the kind of task that should be entrusted to the proposed intergovernmental civil service commission. They would also consider it necessary for the commission to undertake a comparative study of grades and salaries of the United Nations organization with those of the United States and the national civil services of other headquarters countries. In the meantime, the existing comparisons should remain in effect.

187. Most members believe the commission might also consider an alternative to precise grade matchings. Since comparisons are more meaningful for grades in the Professional category, matching points could be established for the entry and top grades of that category (P-1 and P-5), leaving the intermediate grades (P-2 to P-4) to be set on the basis of internal work distinctions. Comparisons of D-1 and D-2 with United States grades are on less firm ground. The salary scales for those two grades could therefore be determined by reference to the P-5 salary scale and the salary for the level of Assistant Secretary-General.

Remuneration in relation to recruitment

188. At many stages in our work considerable emphasis was placed on successful recruitment of personnel as a test of the adequacy or otherwise of remuneration. Most, if not all, of the senior personnel including the executive heads and the Secretary-General indicated that the present emoluments were either inadequate, or barely adequate, to recruit personnel of the required calibre. Others indicated that they were adequate, and that no recruitment difficulties were experienced. One executive head emphasized that not only did his agency have no problems in recruitment, but that before the 8 per cent rise which went into effect on 1 July 1971, it was experiencing no difficulties. He drew our attention to a particular case, that of a "P-4 Computer Systems Analyst"; 110 applications were received of which 35 were from Americans. In another case an agency analysed a sample of 300 candidates, and found that only 7 per cent indicated that the salary or grade was inadequate.

189. We found little or no evidence which supported, in terms of concrete figures and data, the assertion that the present remuneration was inadequate or barely adequate. On the contrary, it seemed to us that if more vigorous recruitment and better personnel policies are followed there should be no difficulty in recruitment even at somewhat lower salary levels. We recognized that some difficulties might occur in cases where only one candidate is considered for a post. There might be cases when higher salaries are requested when a particular individual's services are sought. In this context as can be seen in the table of appendix E there has been considerable grade slip in that higher grades are sometimes applied to meet higher salary demands than the posts justified.

190. Most members consider that basic remuneration representing net pay at New York of \$7,258 (P-1, step 1) should be adequate to attract even personnel from the highest paying countries emerging straight from universities. (N.B. The P-1 salary level is designed to provide for entry of such candidates on the basis that those considered suitable would be promoted to P-2 in two years.) However, in the context of the present situation where the majority of personnel in P-1 are over 40, there may be some hardship at the lowest pay levels in New York. This is because this grade P-1 is used administratively for purposes not intended by the 1956 Committee and is not considered appropriate by us.

191. Viewed in the context of our over-all proposals, we consider that the level we have recommended of United Nations basic remuneration at New York of 15 per cent above the United States federal net pay is a satisfactory working margin, particularly as almost half the personnel are from Western European countries with much lower pay scales, and a large proportion of the rest are from the countries where national salaries are lower even than those prevailing in the highly industrialized countries.

Appendix A

Views and comments received on the salary system for staff in the Professional and higher categories

The guiding principle

1. The Government of France questioned the validity of the Noblemaire principle in present circumstances on the ground that it was neither appropriate nor necessary to the determination of international salaries in the future. It cited three reasons. First, establishment of the level of salaries for international organizations, which today are truly universal, by reference to a single national civil service is not the only solution for attracting top-quality staff from all countries. Second, "the constant comparison of salary levels in an international organization with those in a national civil service is a complex undertaking yielding unreliable and inconclusive results". Third, "salary policy in a home civil service is generally the product of domestic factors which bear no relation to and, indeed, should have no influence on the position of international civil servants". As an alternative to the continued application of the existing principle, the Government of France proposed that the base salaries now in effect should, in future, be regularly adjusted through the use of a formula that would ensure "a steady advance in international salaries, independently of salary movements in a given national civil service"
2. In the view of the Government of the Federal Republic of Germany, the criterion for calculating the salaries paid by an international organization should not be "the level of salaries in one country but a fair average level resulting from the application of newly defined criteria".
3. The Government of Japan suggested that, in applying the Noblemaire principle, comparisons should be made, not between United Nations salaries at Geneva and United States salaries at New York, as is the practice today, but between United Nations and United States salaries at New York and at Geneva. "Then, the two resulting values should be combined by use of the weighted geometric average method. To ensure precision, the same comparisons should be expanded to the seven headquarters cities." Another alternative proposed by Japan was to compare United Nations salaries at Geneva with the average salary rates for home civil servants in the five European headquarters countries and to introduce a decreasing expatriation allowance.
4. A different position was taken by the Government of the United Kingdom. It stated that it recognized the drawbacks of the Noblemaire principle and shared the conclusion reached by ICSAB that "the alternatives to Noblemaire so far advanced would do no more than replace one set of anomalies with another just as, or even more objectionable". It was not, however, opposed to changes, and indeed, hoped that the Special Committee's studies in depth would point to worth-while reforms.
5. The Government of the United States proposed that the salary scales of the United Nations should be established by reference to those of certain European national civil services. It stated that "since the centre of gravity of United Nations activity lies in Europe, it follows that a firm base for United Nations salaries should be found among the best-paying civil services in Europe, with any adjustment necessary to reflect the expatriate feature of United Nations employment".

6. The Administrative Committee on Co-ordination (ACC), representing the views of the executive heads of the United Nations, the ILO, FAO, UNESCO, WHO, UPU, ITU, WMO, IMCO and GATT, stated that the basic principle remained valid but that it was possible to adapt it to present conditions by changing (a) the base of the salary system and (b) the method of calculating the components of remuneration. They examined three alternatives to the "one country principle" and found them unworkable:

(a) Basing United Nations salaries on an average of salaries paid by several Governments to their officials working in the home country;

(b) Deriving such salaries from an average of over-all remuneration of Government officials working away from their home country;

(c) Developing the United Nations salaries from the salaries of other international organizations.

7. The executive heads, accordingly, suggested that "the only practicable method of determining appropriate base scales for the United Nations common system is, first, to determine the national scales that would attract nationals of the highest-paying country to work for a United Nations organization in their own country, and, then, to reduce those scales to a level commensurate with the lower cost of living in Geneva". A certain margin between United Nations and United States salaries would have to be maintained to take account of special factors relating to service in the United Nations, and compensation for expatriation might be provided either in the form of an allowance or within the scales themselves.

8. A more detailed proposal to replace the Noblemaire principle by an averaging principle was made by the Director General of IAEA. Under the new principle, the United Nations salaries would be based on a weighted average of the highest salaries of several national civil services. Inasmuch as the averaging principle would produce salaries below those of some national civil services, the difference would be paid in the form of a temporary expatriation allowance for service away from the home country and in the form of "circumstances-oriented allowances in addition to any cost-of-living differential" for service in the home country.

9. The position of the Federation of International Civil Servants' Associations (FICSA) was that, if the organizations were to recruit staff from all countries without discriminating on grounds of nationality and "if staff members are to be remunerated by organizations only... then the salaries of staff in the existing Professional category must continue to be based on the salaries of the country with the highest civil service pay level, due account being taken, in addition, of the special circumstances of the international civil service". Some compensation for these special circumstances should be included in the salary scales themselves, which might be set on a level of 15 per cent above that of the corresponding national salary.

10. Certain aspects of the averaging principle had previously been examined at the interagency level when the organizations were considering what changes might be made in the salary system. On that occasion, questions were raised regarding the manner in which the principle could be translated into administrative terms and the effects of its application in practice on the capacity of the organizations to attract and retain staff from all countries.

11. With a view to clarifying the issues involved in the averaging principle, the Special Committee addressed to the Director General of IAEA the following questions:

(a) What should be the definition of the best-paying national civil services?

(b) How should they be selected?

(c) What measures would need to be taken to attract nationals whose home salaries exceed the average?

12. The Director General's answer to the first question was that the best-paying national civil services were those that had "the highest gross base rates of pay". He did not, however, exclude the possibility of defining such services in terms of net salaries, on the ground that "the use of either gross or net rates should not make any significant difference". The answer to the second question was that the best-paying national civil services should be selected through a survey. As a survey of civil service rates in the headquarters countries had been undertaken, the Director General suggested that only a few additional civil services would have to be investigated, these services to be of countries from which the organizations had more than "a few Professional staff members". As regards the third question, it was his belief that, under the averaging principle, the problem of attracting nationals whose home salaries exceeded the average would be limited to North Americans. To meet this problem he proposed that the lower salaries should be supplemented by a gradually diminishing expatriation allowance payable for service abroad and by post adjustment plus special allowances for service in their home country.

Base of the system

13. Among the views submitted to us in response to the invitation contained in the resolution, four dealt also with the question of the base. The Government of France suggested that, in so far as the base affected the operation of the system of salary differentials, it was not desirable to have a base at which a differential was payable on top of base salary, as was the case at present in Geneva. It was also anomalous to have minus differentials, particularly when they were not applied by all organizations. To meet these deficiencies several changes might be made in the present system. First, the base could be established at a headquarters city with a lower cost of living than Geneva, e.g., London or Vienna. Second, only base salary should be payable at the base. In the index of differentials the base city should thus always be at 100. Third, differentials should be reviewed annually, and, in the light of such a review, the base could be moved to another headquarters city to ensure that it remained at 100.

14. Under one of its alternatives, the Government of Japan envisaged that Geneva would continue to be the base for carrying out interoffice comparisons designed to calculate salary differentials. In addition, it might be used as a base for determining salary scales, if United Nations salaries could be established by reference to the average salary rates of the national civil services in the five European headquarters countries.

15. The Government of Madagascar favoured retention of Geneva as the base of the salary system.

16. In its proposal to modify the method of applying the Noblemaire principle, ACC considered using Washington, rather than Geneva, as the point of reference for setting initial salary scales and favoured maintaining Geneva as the base for determining salary differentials. ACC saw two disadvantages in moving the latter base to New York or to Washington. First, because of the higher cost of living in these cities in relation to other locations in the world, many offices would become subject to minus salary differentials. Second, the United Nations conditions of service would become even more closely tied to those of the United States, a feature of the present system which was considered undesirable by many of its critics. Accordingly, ACC concluded that Geneva was still the best base for the system of salary differentials, because it met the requirements of a large number of staff for statistical comparisons, a relatively stable cost of living, a stable currency and not too high a cost of living in relation to other duty stations to aggravate the problem of minus differentials.

17. The Director General of IAEA was of the view that, in case the averaging principle he had proposed was not accepted and the present system of salary determination was retained, "it would be absolutely fundamental to recommend a United States base for the system". He indicated that the choice of a United States base would permit setting United Nations salaries at a level that would contain no margin over the comparable United States salary to compensate United States staff members for "so-called drawbacks of international service".

18. As part of the inquiry into the problem of selecting the base city for the United Nations salary system, the consultant on the operation of the post adjustment system was asked to examine the possibility of moving the base or of having several bases for the application of regional salary scales. The consultant's conclusion was that, for the operation of a single salary system applicable throughout the international civil service, Geneva remained the proper choice. In addition to the reasons given by the 1956 Committee, he cited three technical considerations relating to the conduct of place-to-place cost-of-living surveys:

(a) The pattern of living conditions of the international staff in Geneva was readily discernible;

(b) The Geneva market offered a full range of goods;

(c) A suitable statistical service was available through the ILO. As to the use of a base city for each of several regional salary scales, the consultant, without passing judgement on whether such a system would be administratively workable or consistent with the concept of a unified service, merely noted that the base city of each region would require a statistical service to undertake comparative cost-of-living surveys with the attendant danger of increasing divergency in actual application of the differentials.

19. On the other hand, the consultant on the comparative study of United Nations and national civil service emoluments in the seven headquarters countries recommended that the base city of the United Nations salary system should be in the country whose civil service was the prime comparator. It was his conclusion that the United States federal civil service was the appropriate comparator and that Washington should be preferred over New York on the ground that New York was too expensive a base.

1. SALARY SCALE FOR PROFESSIONAL AND HIGHER CATEGORIES SHOWING ANNUAL GROSS AND
THE NET EQUIVALENT AFTER APPLICATION OF STAFF ASSESSMENT

Effective 1 July 1971

(in US dollars)

Level	Steps													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	
U-S-G	43750.00 28475.00													
A-S-G	39150.00 26132.50													
D-2	31200.00 21720.00	32040.00 22222.00	32880.00 22684.00	33720.00 23146.00										
D-1	26000.00 18600.00	26840.00 19104.00	27680.00 19608.00	28520.00 20112.00	29360.00 20616.00	30200.00 21120.00	31040.00 21624.00							
P-5	22700.00 16555.00	23350.00 16977.50	24000.00 17400.00	24650.00 17790.00	25300.00 18180.00	25950.00 18570.00	26600.00 18960.00	27250.00 19350.00	27900.00 19740.00	28550.00 20130.00				
P-4	18120.00 13578.00	18680.00 13942.00	19240.00 14306.00	19800.00 14670.00	20360.00 15034.00	20920.00 15398.00	21480.00 15762.00	22040.00 16126.00	22600.00 16490.00	23160.00 16854.00	23720.00 17218.00	24280.00 17568.00		
P-3	14690.00 11283.00	15170.00 11619.00	15650.00 11955.00	16130.00 12284.50	16610.00 12596.50	17090.00 12908.50	17570.00 13220.50	18050.00 13532.50	18530.00 13844.50	19010.00 14156.50	19490.00 14468.50	19970.00 14780.50	20450.00 15092.50	
P-2	11820.00 9274.00	12220.00 9554.00	12620.00 9834.00	13020.00 10114.00	13420.00 10394.00	13820.00 10674.00	14220.00 10954.00	14620.00 11234.00	15020.00 11514.00	15420.00 11794.00	15820.00 12074.00			
P-1	9010.00 7257.50	9380.00 7535.00	9750.00 7812.50	10120.00 8084.00	10490.00 8343.00	10860.00 8602.00	11230.00 8861.00	11600.00 9120.00	11970.00 9379.00	12340.00 9638.00				

Appendix B

2. RATES OF STAFF ASSESSMENT DEDUCTIONS

On the first \$1,000 of gross salary	5 per cent
" next \$1,000 " " "	10 "
" " \$1,000 " " "	15 "
" " \$1,000 " " "	20 "
" " \$6,000 " " "	25 "
" " \$6,000 " " "	30 "
" " \$8,000 " " "	35 "
" " \$8,000 " " "	40 "
" " \$8,000 " " "	45 "
On all salary over \$40,000	50 "

Appendix B

3. RATES OF POST ADJUSTMENT FROM 1 JULY 1971

(a) Addition for each 5 per cent by which cost of living is higher than the base^{1/}
US dollars

Level	Steps													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	
U-S-G	D 1,140													
	S 760													
A-S-G	D 1,044													
	S 696													
D-2	D 870	888	909	927										
	S 580	592	606	618										
D-1	D 780	795	810	822	837	852	867							
	S 520	530	540	548	558	568	578							
P-5	D 711	723	738	753	765	777	789	801	813	825				
	S 474	482	492	502	510	518	526	534	542	550				
P-4	D 594	606	621	637	651	666	681	696	708	720	732	744		
	S 396	404	414	424	434	444	454	464	472	480	488	496		
P-3	D 498	510	525	540	552	567	579	591	603	615	627	639	654	
	S 332	340	350	360	368	378	386	394	402	410	418	426	436	
P-2	D 411	423	435	447	459	471	483	495	507	519	531	543		
	S 274	282	290	298	306	314	322	330	338	346	354			
P-1	D 324	336	348	360	372	381	393	405	414	426				
	S 216	224	232	240	248	254	262	270	276	284				

D - Rate of post adjustment applicable to staff members with a dependent spouse or child.

S - Rate of post adjustment applicable to staff members with no dependent spouse or child.

^{1/} The base is the cost of living at Geneva in January 1969.

(b) Deduction for each 5 per cent by which cost of living is lower than the base

US dollars

Level	Steps												
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
U-S-G D and S	760												
A-S-G D and S	696												
D-2 D and S	580	592	606	618									
D-1 D and S	520	530	540	548	558	568	578						
P-5 D and S	474	482	492	502	510	518	526	534	542	550			
P-4 D and S	396	404	414	424	434	444	454	464	472	480	488	496	
P-3 D and S	332	340	350	360	368	378	386	394	402	410	418	426	436
P-2 D and S	274	282	290	298	306	314	322	330	338	346	354		
P-1 D and S	216	224	232	240	248	254	262	270	276	284			

D - Rate of post adjustment applicable to staff members with a dependent spouse or child.

S - Rate of post adjustment applicable to staff members with no dependent spouse or child.

The rates for D and S are the same because (a) to make a bigger deduction for staff with dependants than for those without would leave the latter with higher remuneration than the former; (b) it would be inequitable to deduct from the pay of staff without dependants a higher amount in respect of lower cost of living than was added in the case of higher cost of living.

Appendix C

Dissenting view on the formula for determining appropriate level of professional salaries

by Mr. Masao Chiba

1. I am unable to agree with paragraph 26 (d) of the conclusions and recommendations of paragraphs 171 and 173 in chapter III.
2. When establishing a guidepost or a "warning light" for the level of United Nations total net remuneration, the comparison is to be made with respect to only a single matching point; that is, P-4, step V for the United Nations and GS-14, step 1 for the United States. This method would place the vital issue of the desirable salary level for the United Nations on an arbitrary, precarious basis.
3. First, what is the purpose of using matching points, either traditional or new, at a specific step for each grade? Clearly, it is to obtain reliable results about salary relativities showing as wide a range as possible. This can be achieved by using the results for all matching points, not a single point.
4. Second, why are the grades other than P-4 disregarded altogether? Staff members at P-4 account for only a quarter of the total professional staff. The overwhelming majority, of course, are at other grades, and the most populated grade is P-3, not P-4.
5. Therefore, account must be taken of the salary relativities, or the ratios of United Nations total net remuneration to United States net salaries, for all grades. For this purpose we can, and should, use the weighted average reflecting the relative importance of each grade in terms of the number of staff at each grade. This is particularly important because the total salary costs are determined by the number of staff at each grade and step and the corresponding salary rates. For this reason the weighted average is the most reliable means of making salary comparisons. Further, it is especially significant when deciding whether a general salary increase is justified and how much of an increase should be given.
6. Another weakness of using a ratio based on a single matching point is that it would permit fixing the salary rate of P-4, step 5 deliberately lower or higher in the subsequent salary determinations of the United Nations. This might become the Achilles' heel of the formula.

7. Table 1 below shows the difference between the ratio based on a single matching point and one obtained by the weighted average of all ratios for every matching point. It is clear that the ratio of P-4/V to GS-14/1 was 115.0 when the 1956 Committee recommended both the salary scale and the new post adjustments for New York (Class 4). The weighted average, however, was 118.2 if the weights are based on the 1971 staff distribution by grade. As of January 1972, while the ratio of P-4/V to GS-14/1 stands at 123.1, the weighted average stands at 127.4. Accordingly, the existing United Nations total net remuneration of P-4/V is 7.0 (123.1/115.0) higher than the level recommended by the 1956 Committee. On the other hand, based on the weighted average, the current United Nations total net remuneration from P-1 to D-2 inclusive are 7.8 (127.4/118.2) per cent higher than those recommended by the 1956 Committee.

8. In this case, fortunately, the difference in the two percentages is merely 0.8 per cent. But the two approaches differ in both basic philosophy and meaning, as explained in paragraph 12 below. If the most populated grade of P-3 is used instead of P-4, we would have quite a different result. The approach based on the weighted average does not lead to such a variation. It is recommended, therefore, that 118 based on the weighted average should be used for the immediate purpose of a desirable guidepost as well as for the subsequent salary determinations.

9. As to the weights used, the latest staff distribution by grade for the United Nations seems to me to be appropriate. Since the comparisons relate to New York, there is no need to take into account the distribution of staff in other organizations. The effect of the difference in staff distribution at a given time would normally be within the range of 1 per cent; that is, the range from 117.5 to 118.4. If the effect goes beyond the allowable range, that fact should be taken into consideration because it must have reflected the substantial changes which had occurred in the composition of staff, in the structure of organization or in the grading practices. Furthermore, if more statistical precision is needed, the formula similar to Paasch's should be used as is shown in table 2 below.

10. At least, so far as American staff members in New York are concerned, they are conscious of the difference in cost of living between New York and Washington, D. C. According to the latest official data, the cost of living in New York is now 18 per cent higher than in Washington.

11. It is true that after a heated debate, the Fifth Committee in 1957 adopted the Secretary-General's proposal to place New York in Class 5 of Post Adjustment, rather than Class 4, as recommended by the 1956 Committee. It is also true, however, that the United States salaries have been substantially improved, particularly in relation to the salaries in industry and commerce, since the 1962 Salary Reform Act; if these two facts are taken together, it may be concluded that the level of the United Nations total net remuneration in relation to the United States net salaries, as obtained from the 1956 Committee's recommendations, is still appropriate and adequate to attract and retain staff of all nationalities. The evidence is clearly shown by the fact that the total number of staff in all organizations has doubled during the period from 1961 to 1970.

TABLE 1

Ratios of United Nations net remuneration to United States net salary
For married official without dependants at New York in 1956 and 1972

<u>Level and Step</u>		<u>United States net salaries</u>	<u>United Nations total net remuneration^{a/}</u>		<u>Weights in August 1971</u>
<u>UN</u>	<u>US</u>		<u>As recommended by the 1956 Committee (4)^{b/}</u>	<u>As at January 1972 (8)^{b/}</u>	
P-1/1	GS-7/1	100.0	116.1	131.5	21.9% ^{c/}
P-3/V	GS-12/1	100.0	128.7	135.2	26.6
P-4/V	GS-14/1	100.0	115.0	123.1	25.8
P-5/1	GS-15/1	100.0	110.4	119.7	14.9
D-1/1	GS-16/1	100.0	114.1	118.6	7.8
D-2 max.	GS-18/1	100.0	118.3	125.5	3.0
<u>Weighted Average</u>		<u>100.0</u>	<u>118.2</u>	<u>127.4</u>	<u>100.0^{d/}</u>

a/ Net salaries plus post adjustments plus spouse allowance

b/ Class of post adjustment

c/ Inclusive of staff at P-2

d/ 100.0 = 3,867 regular staff, excluding staff of specialized agencies, IAEA and GATT

12. One more significant aspect which would be brought about by the new formula envisaged in paragraph 149 (a) should not be overlooked. Under this formula, once the new salary rate is fixed for GS-14/1, the whole United Nations salary scales for Professional staff and above are to be revised automatically and mechanically, through the indices (P-1/1 = 100) laid down in table 2 in the main report. Is it desirable to put the United Nations into such a strait-jacket? Within a total framework, the United Nations should have some latitude in determining its own emoluments in order to take into consideration the needs peculiar to the world organizations as distinguished from the needs of the United States Federal Government.

TABLE 2

Formula for calculating weighted United Nations/United States ratios

I. Symbols used:

- Si: US net salaries at a given matching point
- Pi: UN total net remuneration at a corresponding matching point
- Ni: Number of UN staff at grade Pi

II. Formula

$$\left(\frac{P_0}{S_0}\right) \left(\frac{P_0 N_0}{\sum PN}\right) + \left(\frac{P_1}{S_1}\right) \left(\frac{P_1 N_1}{\sum PN}\right) + \dots + \left(\frac{P_5}{S_5}\right) \left(\frac{P_5 N_5}{\sum PN}\right)$$

$$= \sum \left(\frac{P_i}{S_i}\right) \left(\frac{P_i N_i}{\sum P_i N_i}\right)$$

III. Actual calculations

- (a) Ratio of UN total net remuneration to US net salaries, as derived from the 1956 Committee's recommendations.

$$\left(\frac{\$ 4,550}{\$ 3,920}\right) \left[\frac{(4,550) (21.9\%)}{849,730}\right] + \left(\frac{\$ 8,100}{\$ 6,292}\right) \left[\frac{(8,100) (26.6\%)}{849,730}\right]$$

$$+ \left(\frac{\$ 9,625}{\$ 8,371}\right) \left[\frac{(9,625) (25.8\%)}{849,730}\right] + \left(\frac{\$ 10,250}{\$ 9,284}\right) \left[\frac{(10,250) (14.9\%)}{849,730}\right]$$

$$+ \left(\frac{\$ 11,625}{\$ 10,185}\right) \left[\frac{(11,625) (7.8\%)}{849,730}\right] + \left(\frac{\$ 14,300}{\$ 12,090}\right) \left[\frac{(14,300) (3.0\%)}{849,730}\right]$$

$$= (116.1 \times 11.7) + (128.7 \times 25.4) + (115.0 \times 29.2) + (110.4 \times 18.0)$$

$$+ (114.1 \times 10.7) + (118.3 \times 5.0)$$

$$= 117.9$$

Note how the difference between 118.2 in table 1 and 117.9 above is small.

Appendix D

TABLE I ^{35/}

New salary indices
Step 1 of level = 100
(Net salaries)

Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
D-2	100	102.0	104.0	106.0	108.0							
D-1	100	102.3	104.7	107.1	109.4	111.8	114.1	116.5				
P-5	100	102.4	104.9	107.3	109.8	112.2	114.6	117.1	119.5	122.0		
P-4	100	102.7	105.4	108.2	110.9	113.6	116.4	119.1	121.8	124.5	127.3	130.0
P-3	100	103.0	106.0	109.0	112.0	115.0	118.0	121.0	124.0	127.0	130.0	133.0
P-2	100	103.0	106.0	109.0	112.0	115.0	118.0	121.0	124.0	127.0	130.0	133.0
P-1	100	103.4	106.8	110.2	113.6	117.0	120.4	123.8	127.2	130.6	134.0	137.5

^{35/} (i) Some members wish table I to be considered as a guide in arriving at a suitable salary structure. As explained in paragraph 173 above, the ratio of 115 should not be inflexible for the first step of each grade, but rather this ratio is intended to be reached at least for the grade of P-4 in which is found a quarter of all United Nations personnel. If the 115 ratio is reached for P-4/5 as recommended then the internal relationships of each grade can be relied on to achieve the desired level of salaries;

(ii) Some members oppose additional steps being added to grades P-1, P-2, D-1 and D-2 which were added to achieve symmetry. They believe that such additional steps would be appropriate only if the waiting periods for the last several steps in each grade were lengthened to 2 or 3 years.

TABLE 2^{35/}

New salary indices
 PI/1 = 100
 (Net salaries)

Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
D-2	300.0	306.0	312.0	318.0	324.0							
D-1	260.8	266.8	273.1	279.4	285.4	291.6	297.6	303.9				
P-5	226.8	232.3	237.9	243.4	249.1	254.5	259.9	265.6	271.1	276.7		
P-4	187.4	192.5	197.6	202.8	207.9	213.0	218.2	223.3	228.3	233.4	238.6	243.7
P-3	154.9	159.6	164.2	168.9	173.5	178.2	182.8	187.5	192.1	196.8	201.4	206.0
P-2	127.0	130.8	134.6	138.4	142.2	146.1	149.9	153.7	157.5	161.3	165.1	168.9
P-1	100	103.4	106.8	110.2	113.6	117.0	120.4	123.8	127.2	130.6	134.0	137.5

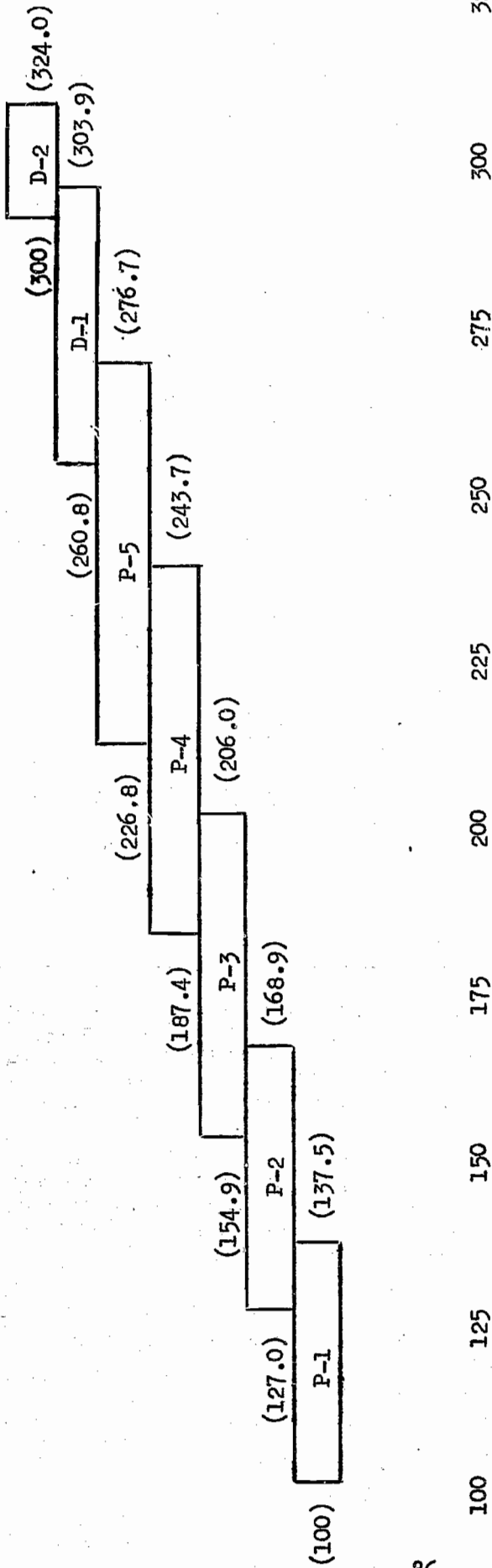
TABLE 3

Percentage difference between salary levels of
each grade if table 2 were in effect

<u>Level</u>	<u>Difference between levels</u>		<u>Span</u>	
	<u>Minimum</u> %	<u>Maximum</u> %	<u>Number of steps</u>	<u>%</u>
D-2			5	8
	>15	6.6		
D-1			8	16.5
	>15	9.8		
P-5			10	22.0
	>21	13.5		
P-4			12	30.0
	>21	18.3		
P-3			12	33.0
	>22	22.0		
P-2			12	33.0
	>27	22.8		
P-1			12	37.5

DIAGRAM

Index relationship between grades and salary range within each grade in the model of a net salary scale for staff in the Professional and higher categories



Appendix E

Percentage of staff in the Professional grades' in seven of the organizations in the United Nations common system for the years 1956, 1967 and 1971 a/

GRADE USG, ASG AND EQUIVALENT	United Nations b/	ILO	FAO	UNESCO	WHO	ICAO	UPU
1956	1.33	1.83	a/	0.56	1.69	1.32	
1967	0.81	0.84	0.9	0.86	0.9	---	---
1971	1.0	1.2	1.0	1.0	1.5	---	3.6
D-2							
1956	1.64	1.04	0.77	a/	3.56	1.32	---
1967	2.32	2.50	2.57	1.90	1.7	2.04	4.55
1971	3.0	2.0	2.2	2.3	3.0	1.8	3.6
D-1							
1956	3.41	6.00	0.26	3.51	0.75	3.30	7.14
1967	5.21	4.84	2.31	5.85	2.9	1.53	2.27
1971	7.7	5.8	6.8	6.1	6.7	2.7	3.6
P-5							
1956	9.35	4.70	8.44	8.99	9.93	9.21	35.71
1967	13.40	8.85	13.61	24.12	14.8	12.25	11.36
1971	14.7	11.6	18.2	25.8	24.3	12.3	10.7
P-4							
1956	25.14	9.40	26.85	28.07	30.15	21.72	---
1967	26.15	16.87	37.48	30.92	36.3	33.16	11.36
1971	25.6	21.2	30.3	30.9	29.0	41.1	12.5
P-3							
1956	36.76	50.39 ^{e/}	23.79	25.44	15.36	32.24	14.29
1967	33.34	47.41	23.36	20.32	19.6	34.13	25.00
1971	26.3	22.9	17.8	18.3	16.0	27.9	28.6
P-2							
1956	22.37 ^{f/}	---	22.25	31.80 ^{f/}	24.53	19.74	21.43
1967	18.77	---	13.09	16.03	16.9	16.33	34.09
1971	21.7	---	16.5	15.6	14.0	13.2	32.0
P-1							
1956	---	26.64	14.32	---	14.03	11.15	21.43
1967	---	18.69	6.68	---	6.8	0.51	11.36
1971	---	12.4	7.2	---	5.5	1.0	5.4

a/ The organizations not included are: GATT, IAEA, IMCO, ITU and WMO. The figures for 1956 were taken from the Report of the Salary Review Committee of 1956 (A/3209, paragraph 58); those for 1967 from a document submitted by the organizations to ICSAB (ICSAB/XVI/R.8, which was not among the documents submitted to the Special Committee); those for 1971 from the data prepared for the Committee on the composition of the staff of all organizations as of 31 August 1971 (Table 1 of Annex II of A/AC.150/CRP.62).

As will be seen, to a partial extent in the subsequent footnotes, there are differences in the scope and coverage of the surveys on which the figures in the three documents were based. Furthermore, the 1956 and 1967 figures relate to regular budget posts while the 1971 figures relate to regular staff in service as of 31 August 1971. Nonetheless, the figures do give a broad indication of the changes which have taken place over the last 15 years.

b/ The 1971 figures include staff of UNDP, UNHCR, UNICEF, UNITAR and UNRWA; the 1956 and 1967 figures do not.

c/ In 1956 UPU was not in the United Nations common system and there were no exact grading parallels.

d/ This grade did not exist in FAO and UNESCO in 1956. Each did have a "Principal Director" grade which included, for FAO, 3.52 per cent of Professional staff and, for UNESCO, 1.53 per cent.

e/ ILO combines the P-2 and P-3 grades into a single P-2/3 grade.

f/ Includes staff in the P-1 and P-2 grades.

Chapter IV

THE SALARY SYSTEM FOR STAFF IN THE GENERAL SERVICE CATEGORY

Principle for establishing salary scales

192. The General Service category was introduced in 1951 on the recommendation of the 1949 Committee of Experts on Salary, Allowance and Leave systems. It is comprised of staff who are mainly recruited locally and assigned to posts that involve essentially clerical, secretarial, custodial and routine administrative duties.

193. The 1949 Committee of Experts recommended, and the General Assembly adopted, the principle that General Service salary scales should be established in accordance with the best prevailing rates in the local market. This principle followed from the requirement that General Service staff should be recruited primarily from within the local labour market and the Charter requirement that the conditions of service should be such as to enable the United Nations to recruit and retain staff of the highest competence, efficiency and integrity.

194. The 1956 Salary Review Committee endorsed the basic principle but suggested that "the organizations should make comparisons of the total pay and benefits of employees in circumstances as nearly comparable as possible". As a result, the formulation of the principle was changed from "best prevailing rates" to "best prevailing conditions of employment". This principle was accepted by the legislative organs and applied by all the organizations in the common system.

Application of the principle

195. The principle lends itself to varying interpretations and modes of practical application. Although it has enabled the international organizations to meet their needs in a variety of economic and social situations at the locations where General Service staff are employed, it has led to considerable difficulties and disagreements at some duty stations. Divergencies of practices have resulted in regard to such basic items as the structure of the General Service category, the salary levels and the salary adjustment procedures, despite general agreement among the organizations that a harmonization of practices is desirable.

196. In 1965, the organizations formulated a series of guiding principles for General Service salary determination that were reviewed and amended by ICSAB, hereafter referred to as the guidelines. These guidelines set out several methodological approaches to meet the different conditions and organizational needs at the four types of duty stations (see paragraph 207). The purpose and intention of the guidelines were to recognize both the need for flexibility in applying the principle and to ensure consistent and equitable practices at all duty stations.

197. Since 1966, difficulties and disagreements over the interpretation and application of the guidelines themselves have increased. This has led the organizations to seek the advice of ICSAB on a number of occasions. In May 1970, the organization informed ICSAB that the General Service salary scales for similar jobs in the seven headquarters cities "appear to be at variance with what is known about salary levels in the countries concerned... It is difficult to avoid the conclusion that the guidelines permit different duty stations to have widely different interpretations of the term 'best prevailing rates'... Existing methods have, at some duty stations succeeded in temporarily minimizing dissension with the staff. The value of this should not be underestimated, and were there an assurance that harmony would continue to prevail, it might be reason for leaving things as they are. Unfortunately, the methods by which dissension is ended at one duty station can cause difficulty at other duty stations". The organizations further stated that "in some duty stations the rate of increase in General Service salaries is so much greater than the rate of increase in Professional salaries that, in five years or so, the extent of overlap between the two categories may cause problems". The organization concluded that "the efforts to improve the system must be pursued".

198. The General Assembly, in its resolution 2743 (XXV), which established our Committee, noted "that the system of establishing salaries for the General Service category in some areas has also given rise to considerable difficulties and concern". Accordingly, it requested us to include in our review of the salary system "the principles which should govern the establishment of the salary scales and other conditions of service for the various categories".

199. In pursuance of this mandate, we have reviewed the guidelines and the problems and results that have arisen from their application in the seven headquarters cities, discussed these matters with representatives of the organizations and of staff associations and considered the written views and proposals submitted by States Members of the United Nations or members of the specialized agencies, the executive heads of the organizations and the staff associations, including FICSA.

200. The guidelines interpret the requirement that General Service staff should be remunerated according to the best prevailing conditions of employment in the locality to mean that the "organizations will be among the best employers in the locality but will not necessarily be the absolute best".

201. Application of this principle involves four main processes: (a) the establishment of a grading structure; (b) surveys of conditions of service in outside employment; (c) establishment of base salary scales for each grade and (d) determination of the rates of allowances to be paid in addition to salary. The last of these processes (d) will be dealt with in chapter V.

202. Grading structure. . The guidelines state that the overriding consideration for the organizations is to evolve a grading structure that will suit the internal needs of the offices as regards the relative importance of the jobs. The number of grades should be kept at a minimum consistent with efficiency, economy and the provision of reasonable promotion opportunities within the grades. In the absence of special local considerations, the normal structure should consist of six grades ranging from "messenger or equivalent" at grade 1 to "principal clerk, administrative assistant or equivalent" at grade 6.

203. The following variations existed in the grading structures in the seven headquarters cities, as of 1 January 1972:

(a) There are five grades in New York and Paris, six in Vienna, seven in Geneva and Rome, eight in London and nine in Montreal;

(b) The salary spread from grade 1, step 1, to the top step of the top grade varies from a little more than twice grade 1, step 1, in New York to almost 4 times in London;

(c) The salary spread from step 1 of grade 1 to step 1 of the highest grade ranges from 66 per cent in New York to almost 200 per cent in London;

(d) The salary range from the minimum step to the maximum step in a single grade varies from approximately 25 per cent in Montreal and New York to 52 per cent in Paris;

(e) In New York grade G-3 is the most heavily populated grade, comprising 42 per cent of the General Service staff, but in Paris grades G-1 and G-2 contain 50 per cent of the staff;

(f) The overlap between the maximum salary in the General Service salary scales and the Professional salary scales varies from none in London to an overlap with P.2, step 6, in Paris.

204. The total number of steps covering all grades varies from 46 in New York to 92 in Rome. If account is taken of the salary overlap between grades by eliminating the overlapping or duplicate step rates, the total number of effective steps - a more accurate measure of career progression possibilities - varies from 25 in Montreal and New York to 47 in Vienna.

205. An analysis of the present distribution of staff members by grade and of the entry grades for most new recruits (tables 12 and 22 in annex V) indicates that promotion prospects within the General Service category are generally more limited than the number of grades and steps would suggest. For example, in New York, the bulk of General Service staff are recruited at G-3, and only 13 per cent of the staff is currently at G-5, so that most entrants do, in practice, progress through no more than two grades (normally G-3 and G-4) within the General Service category.

206. The table below includes, in addition to the information cited in the preceding paragraphs, a comparison of the minimum and maximum net salary levels, in United States dollar equivalents, in force, as of 1 January 1972, in the headquarters cities. From that table it will be seen that the maximum General Service net salary in Paris (\$12,740) is appreciably above the maximum salary in New York (\$11,010) and nearly twice the maximum in London (\$6,480). To determine the extent of overlap between Professional and General Service salaries the maximum General Service net pay rates were compared with the net base pay plus post adjustment (at the single rate) of Professional staff in the same city.

COMPARISON OF SALARY SCALES FOR GENERAL SERVICE CATEGORY
AT HEADQUARTERS CITIES AS OF 1 JANUARY 1972

<u>Head-</u> <u>quarters</u> <u>City</u>	<u>Number</u> <u>of</u> <u>Grades</u>	<u>Number</u> <u>of</u> <u>General</u> <u>Service</u> <u>Staff</u>	<u>Percen-</u> <u>tage of</u> <u>staff</u> <u>in top</u> <u>grade</u>	<u>Total</u> <u>Number</u> <u>of</u> <u>steps</u>	<u>Number</u> <u>of</u> <u>effec-</u> <u>tive</u> <u>steps</u>	<u>Net salary range</u>			<u>Percentage</u> <u>salary range</u> <u>within grades</u> <u>(Grade in</u> <u>parenthesis)</u>		<u>Highest</u> <u>Profe-</u> <u>ssional</u> <u>grade</u> <u>and step</u> <u>over-</u> <u>lapped</u>
						<u>Min.</u> <u>\$</u>	<u>Max.</u> <u>\$</u>	<u>Ratio</u> <u>(Max/</u> <u>Min)</u>	<u>Narro-</u> <u>west</u>	<u>Broadest</u>	
New York	5	2 782	13.8	46	25	4 835	11 010	2.3	24 (2)	41 (5)	P-1/S-7
Paris	5	1 245	8.8	74	43	3 738	12 740	3.4	46 (1)	52 (3)	P-2/S-6
Vienna	6	1 015	3.6	66	47	2 713	9 099	3.4	29 (1)	32 (7)	P-1/S-5
Geneva	7	3 326	6.3	77	29	4 423	10 688	2.4	30 (1)	45 (7)	P-2/S-1
Rome	7	2 174	2.1	92	37	4 062	11 369	2.8	29 (1)	46 (4)	P-2/S-3
London	8	74	1.4	76	43	1 709	6 480	3.8	27 (8)	38 (3)	None
Montreal	9	323	2.8	54	25	3 036	9 288	3.1	25 (8)	28 (1)	P-1/S-4

207. Surveys of conditions of service in outside employment. The guidelines recognize four types of circumstances were variations in the method used to interpret the principle of best-prevailing conditions are not only justified but necessary. These involve:

(a) Cities such as New York and Montreal, where there are reliable data on outside rates, compiled from surveys of far greater magnitude than the organizations themselves could undertake;

(b) Cities such as Geneva, where there are no published data based on surveys of outside rates and where a survey of the whole labour market can be made using random sampling techniques;

(c) Cities such as Paris and Rome, where there are no published data based on surveys of outside rates and where a survey of the whole labour market is impracticable, thus necessitating that the organizations undertake a survey of the rates paid by a number of outside firms reputed to be among the best employers;

(d) Cities where the organizations employ so few staff that it is possible to base United Nations rates on those of a few outside employers who establish their rates on the basis of periodic surveys and whose salaries can be taken as representative of the best prevailing rates in the locality.

208. In the case of (d), which covers mainly field duty stations, the procedures followed have generally worked well and the organizations have experienced few difficulties. It is usually fairly evident who are the best employers or staff with comparable qualifications in these cities - international firms or the United States Embassy. These enterprises often maintain fairly large staffs and use a regular grading system with rates of pay based on surveys that they have conducted. The United Nations, through the UNDP resident representative or the representative of one of the specialized agencies inquires at regular intervals into the salaries and fringe benefits paid by those enterprises at levels corresponding to General Service grades. Consultations on the information received are held with representatives of the staff. The resulting scales are co-ordinated through the United Nations for uniform application by all organizations in the common system. Whenever problems have arisen they have usually been resolved easily and quickly.

209. The same cannot be said with respect to the seven headquarters duty stations. In most, if not all, of these cities, contention and disagreement between administration and staff have occurred over decisions taken at different stages of applying the processes set out in the guidelines.

210. These processes involve: (a) choice of surveyor; (b) selection of employers to be surveyed; (c) selection of benchmark jobs; (d) interpretation of the data collected in the survey; (e) determination of outside and inside matching points; (f) treatment of fringe benefits; (g) determination of margin, if any, by which United Nations rates should exceed outside rates; (h) construction of the salary scale; (i) frequency of salary surveys; (j) interim salary adjustments between surveys; and (k) interorganizational co-ordination and staff participation.

211. Choice of surveyor. This question does not arise in locations like New York, where surveys are not conducted or commissioned by the United Nations because of the existence of reliable and extensive published data on outside rates. In cities like Geneva, where the whole labour market is to be surveyed, the guidelines state that the survey should be entrusted to an independent outside body. This body should be responsible, in consultation with the organizations, for the selection of firms to be surveyed and the preparation of job descriptions. It should, where necessary, secure the assistance of an expert in job classification.

212. Where a sample survey of the whole labour market is not possible, e.g., in Paris and Rome, the guidelines state that the organizations should, with outside help if necessary, conduct a survey of a selected number of employers whose conditions of employment are reputed to be representative of the best prevailing standards in the locality and that staff representatives should be consulted during the selection process.

213. The executive heads have stated that the use of an independent surveyor has been effective in ensuring objectivity. IAEA, however, expresses a preference for having the surveys carried out by a working group of administration and staff representatives with the assistance of an outside expert who is familiar with local tax and social security systems.

214. Selection of employers. In a survey of the whole labour market, the guidelines state that a random sample of high, medium and low-paying employers should be selected, using recognized statistical methods, from among all the relatively large local establishments. The number of employees covered in the whole sample should be about a quarter of the total labour force. In analysing the data, allowance should be made for any marked differences between the work performed in the outside firm and the work of the United Nations post to which it is being compared.

215. Where the entire labour market is not being surveyed, establishments should be selected that employ relatively large numbers of staff (where possible, at least four times as many in each kind of work covered by the survey as the corresponding number in the international organizations in the locality) and are reputed to provide conditions of employment that are among the best in the locality.

216. It is essential for comparison purposes that the employers selected have staff performing functions very similar to those performed by at least one group, and possibly more, of United Nations General Service staff. In cases where these conditions do not exist, e.g. at European headquarters locations, there have been problems in interpreting and applying the survey results.

217. In New York, no serious difficulties have been encountered because full use is made of detailed published data which cover a wide range of employers and jobs. In Geneva, the whole labour market is surveyed (excluding employers with less than 10 male employees) by means of appropriate random sampling (134 out of 215 firms are covered) and, thus, the choice of best employers is not an issue there. In Montreal and Vienna, no difficulties have arisen, inasmuch as the administration and staff have been able to agree on which employers are to be included in the surveys: in Montreal,

initially 12 employers are selected and then reduced to six as a result of consultations between administration and staff representatives; in Vienna, firms whose salary rates and grading structure are found not to compare with those of the organizations are excluded a posteriori. In London, until recently no problems had arisen, because the rates paid by one local employer, the United States Embassy, had been used as the basis for determining General Service salaries in that city. Inasmuch as the rates paid by the Embassy were based on a survey of rates paid by a number of good local employers, they had been taken to represent the best prevailing conditions. In 1970, however, the IMCO staff claimed that those rates were not the best prevailing rates. Consequently, the IMCO Council authorized the Secretary-General of IMCO to conduct an independent survey to ascertain whether existing salary scales were in fact, in accord with the best prevailing local conditions. An outside surveyor has been commissioned to undertake this survey, which is to cover 10 of the acknowledged best employers in London. In Paris and Rome, which have very large and heterogeneous labour markets, UNESCO and FAO have experienced difficulties in reaching agreement with their respective staff associations on which employers should be surveyed and on interpretation of the data collected. In recent years, both of these organizations have made adjustments of the General Service scales based on movements in general wage indexes published by the Governments of France and Italy, respectively, while seeking long-range solutions to the problems of General Service pay.

218. Selection of benchmark jobs. The results of any survey are heavily dependent on the reliability of the job comparisons made between the organizations and outside employers. ICSAB has found that "job comparison between international organizations and local firms is extremely difficult, even deceptive. In most cases, jobs cannot easily be subjected to a common evaluation ... This ... underlies the necessity to base any comparison on a limited number of jobs as suggested in the 'guiding principles'". The guidelines state that the main emphasis in selecting jobs should be placed on ascertaining the appropriate range of salaries for the group of grades that comprises the bulk of the secretarial and clerical staff, from the beginner copy-typist, stenographer or junior clerk at the lower end of the scale to the experienced clerk or secretary at the upper end.

219. The number, type and levels of benchmark jobs surveyed have varied from duty station to duty station and sometimes from survey to survey within a given duty station in the light of changing circumstances. In Vienna, the organizations have been able to obtain outside data for several benchmark jobs classified at each grade level of the General Service scale. In New York, London and Montreal, survey data is available on a large number of key jobs - 11 to 15 in New York and 30 to 40 in Montreal. In Geneva, after a review had been made of all the jobs for which data were reported in the survey of the whole labour market, only two jobs were considered to have comparable outside counterparts: G-2 junior clerks (toward the lower end of the scale) and G-5 accounting clerks (toward the upper end). In Paris, the system recently adopted by UNESCO involves comparison of grade G-2 secretary rates with those paid by outside firms for bilingual secretaries. In Rome, the last survey, conducted in 1969, concentrated on a relatively small number of job descriptions edited to define the essential responsibilities of the different grade levels. The findings of that survey were the subject of dispute between the FAO staff and administration and never put into effect.

220. Interpretation of the data collected in the survey. The guidelines state that evaluation of data and preparation of recommendations are the responsibility of the administrations concerned. If an outside body has conducted the survey, then that body should be associated with the evaluation process in an advisory capacity. All the data and other facts obtained should be made available to staff representatives with whom the conclusions drawn from the survey are eventually to be discussed. In those duty stations where more than one staff association is represented, consultations should be arranged wherever possible on a collective basis within the framework of a joint interagency body.

221. Where the rates paid for a particular kind of job are lower for women than for men doing the same job, only the men's rates should be taken into account.

222. The salary data collected should be converted from gross to net rates by deducting from the outside rates the tax that would be paid by a single person. The tax relief that would be obtained by a person with dependents is taken into account in fixing the rates for dependency allowances. In addition to national income taxes, municipal and state taxes are deducted in those places where they apply, e.g., Geneva and New York. The outside rates must be converted from gross to net values because the staff assessment rates applied to United Nations salary scales bear no direct relationship to income tax rates, which vary from locality to locality. Therefore, no fair comparison can be made between outside pay and United Nations gross salaries.

223. Choice of outside and inside matching points. Where the survey has covered the whole labour market, the guidelines state that the actual rate to be associated with a particular type of job, i.e., the "outside matching point", should be taken as "the rate which corresponds to the one where 25 per cent of the outside employees in the work concerned are higher paid and 75 per cent lower paid - that is, the rate at the top of the third quartile". This rate should be regarded as comparable to the midpoint of the United Nations grade level to which the job concerned corresponds, i.e., the "inside matching point". Where the third quartile rates for a number of jobs associated with a particular United Nations grade level, e.g., junior typists, junior clerks, or similar employees differ, a single composite rate should be determined for equating to the midpoint of the United Nations grade.

224. When revising existing salary scales, the difference between the "outside matching point" and the "inside matching point" will be a measure of the adjustment needed in the particular grade level. The survey results may be such that different adjustments for different grade levels are indicated. In these circumstances, the actual adjustments to be made are a matter of judgement in light of the facts as a whole. The guidelines, though not requiring that the same percentage adjustments be applied to each grade, do state that excessive change in grade relationships was undesirable. Some grades, therefore, may require an adjustment that is slightly more or slightly less than the outside matching points indicate.

225. Where the survey has covered only a select number of the best outside employers, the guidelines are less specific as to the choice of inside and outside matching points. The very general instructions call for separate comparisons to be made between the whole span of salaries for clerical and for secretarial work in the

organizations and in each of the outside firms covered in the survey. The appropriate span for each kind of work should range from a minimum, taken as the top of the third quartile of the outside minimum rates, to a maximum, taken as the top of the third quartile of the maximum rates. The total span determined could then be divided into segments, i.e., grades, according to outside practices and administrative needs. Thus, for example, a total span for secretarial/typing work may be defined from outside rates for jobs falling under this category that corresponds well with the organizations' jobs at the G-2, G-3, G-4 and G-5 levels. This total G-2 through G-5 span could then be divided into segments on the basis of outside practices, if the outside employers surveyed have clearly defined salary levels for separate jobs, or according to internal administrative needs, if they have not.

226. In adjusting salary scales on the basis of such surveys, the same considerations as those indicated in paragraph 224 apply.

227. The actual practices followed in each of the seven headquarters cities in regard to outside and inside matching points vary. In Rome, Paris, Montreal and Vienna, the outside matching points are taken as the top of the third-quartile rates for each benchmark job. In New York, the third-quartile rates for selected jobs covered in the commerce and industry survey have been used as outside matching points. The United Nations has attempted in recent years to supplement the New York method with substantial spot checks of outside rates paid by selected firms in order to determine the appropriate matching points between the outside survey of the whole labour market and the United Nations scales. In London, there has been no need for applying the third-quartile definition, inasmuch as only one employer was surveyed. In Geneva, where the survey covered the whole labour market and not merely the best employers within that market, it was decided, by analogy with the methods used in Paris and Rome, that the outside matching points should be taken as the third quartile of the best rates only, with the best rates being defined as the "upper third of all rates disclosed by the survey". Thus, the outside matching point retained for a given job surveyed corresponded to the seventy-fifth percentile of the upper third of rates paid locally for that job. This is equivalent to the ninety-second percentile of all the rates paid for the job. After examining these proposed matching points, ICSAB stated that it "would see no objection, in view of the position in Paris and Rome, to using only the top third of the rates, nor to taking the seventy-fifth percentile of those rates as the outside matching point", although it had some reservations on the inside matching points proposed (see paragraph 229).

228. In theory, the choice of inside matching point for jobs associated with a given grade level should depend on the correlation inside and outside the organizations between remuneration on the one hand and age and length of service on the other. If, for example, the outside matching points chosen represent the rates paid to beginners, then the inside matching point should be step 1 of the appropriate grade; if they represent the rates paid to persons who have reached the pay ceiling for a job after many years of service, then the inside matching point should be the maximum step; if they represent the midpoint between the minimum and the maximum rates for a job, the appropriate inside matching point should be the midstep of the appropriate United Nations grade.

229. In practice, all attempts to establish the exact correlation between remuneration and length of service in outside employment have met with failure because of the difficulty of obtaining replies from outside employers to questions posed on the subject by the organizations. Information supplied was insufficient to allow any relevant conclusions to be drawn from it. In Geneva, the inside matching point adopted was the midpoint at each grade (i.e., step 6). As indicated above, ICSAB supported use of the third quartile of the upper third of rates as the outside matching point, but it felt that the corresponding inside matching point might be the maximum of the grade rather than step 6. The Board requested the Geneva organizations to inquire into the age and length of service of the employees to whom the outside rates applied. An extensive inquiry was undertaken, but the limited responses were inconclusive. Step 6 of each grade has been retained as the inside matching point.

230. At locations where extensive data are available and these data relate to well-established grades and scales used by outside concerns, a number of different inside matching points might be established. In New York, the inside matching points differ from grade to grade and are higher in the upper grades because these grades include jobs which the surveys indicated were usually carried out by persons with considerable experience. In Paris, the only outside matching point relates to the rate paid to bilingual secretaries, and this is compared to grade G-2, step 1, on the ground that the outside rate retained is the minimum rate paid, irrespective of age or length of service.

231. Treatment of fringe benefits. In assessing the conditions of employment prevailing in the locality, account is taken of the fringe benefits offered by outside employers. The guidelines provide that recurrent supplements paid to all employees should be added to the salary figures reported in the survey but that allowances paid on a selective basis should be disregarded. Over-all, a rough balance should be struck between the value of measurable fringe benefits inside and outside the organizations. Where these benefits are appreciably better outside the organizations, some compensating upward adjustment in the salary scales may be desirable. Where the balance is favourable to the organizations, it is possible that downward adjustment of the scales should be made.

232. Margin for United Nations scales over outside rates. Once the outside matching point rates have been determined, having been supplemented (or reduced) where necessary to take account of fringe benefits, the question arises as to whether the addition of a margin over these rates would be justified. The guidelines state that, in the absence of serious recruitment difficulties, there is no justification for any addition to scales that correspond to the best prevailing rates for comparable work outside the organizations. If there are recruitment difficulties, there may be - but not necessarily - a case for fixing salaries at a somewhat higher level.

233. At no headquarters city is a margin over outside rates being applied in order to determine General Service salary scales.

234. Construction of the salary scale. As was seen above, although ideally an outside matching point is desirable for each grade, this has not been found to be possible in some cities. In these cases, the rates at grades not covered by the survey are derived from those established for the grades covered. The exact technical method of doing so by extrapolation and interpolation depends on the organizations' needs, grading

structures and policies regarding career progressions. The number of grades and steps within each grade are determined for each duty station according to outside practices or the administrative needs of the organizations.

235. The percentage relationships between grades may change, and the extent of overlap between grades may increase over time, owing to different adjustments for different grades. Some of this change over a period of time is inevitable, because of the changing circumstances in outside practices with respect to the ranking of, and the rates paid for, different jobs.

236. The extent of the overlap between grades has become excessive at some duty stations, as can be seen by the relationship between the total number of steps and the number of effective steps in the headquarters cities in the table in paragraph 206. In Geneva, a staff member at G-4, step 11, would have to be placed at the next to highest step (step 10) of G-5 upon promotion. In Montreal, which has a nine-level structure, with six steps at each level, step 3 of each level overlaps with step 1 of the next higher level.

237. UNESCO has developed a new system for determining General Service salary scales in Paris in response to the problems it has encountered in relating many of its General Service positions to the best prevailing outside rates. In particular, it has found it difficult to obtain precise information on over-all remuneration and conditions of employment in the private sector and to identify a sufficient number of jobs in the outside market that lend themselves to precise comparison with UNESCO posts. Under the new system, the best prevailing outside rates would be determined for only one job, that of a bilingual secretary, and these would be matched with G-2, step 1. A precise percentage relationship would then be established between G-2, step 1, and the other grades and steps in the scale in terms of UNESCO needs and administrative structure. The rates corresponding to the minimum of each grade would be set, as a percentage of the G-2, step 1, rate, as follows: 80 per cent for G-1, 125 per cent for G-3, 155 per cent for G-4 and 190 per cent for G-5. The value of each step in a grade would be 3.5 per cent of the step 1 rate for that grade. The new system will not be put into effect until the next survey, which would determine the single outside matching point, is made in 1975.

238. The other organizations and ICSAB have stated that they could not endorse the new UNESCO plan. The organizations felt that fixing the scales for all grades on the basis of a reference to grade G-2 was undesirable for two basic reasons: first, any error in the scale for grade G-2 would be carried into the other scales for the other grades, and, second, there could be no assurance that the proposed index relationship between grades would continue to correspond to the situation in outside employment in Paris over a period of time; experience in other duty stations suggested that lower rates in outside employment increased faster than the higher rates in percentage terms. The organizations also felt that putting the maximum of G-2 at 49 per cent above the minimum required justification based on outside practice.

239. The main preoccupation of ICSAB centred on the use of the rates paid to a bilingual secretary as the outside matching point for grade G-2. The post of bilingual secretary, as defined by UNESCO, would, in the other organizations, be placed at the middle or somewhat above the middle of the scale. The Board observed that "it may well be that controversy as to correct comparisons with the best prevailing conditions in the Paris region will simply be transformed into disputes as to the continued accuracy of the particular percentage relationship between grades, which would be frozen by the proposed method".

240. Frequency of salary surveys. The guidelines state that General Service salary scales should be reviewed periodically to ensure that they continued to be in line with the best prevailing rates in the locality. This has generally been interpreted by the organizations to mean every four or five years for headquarters duty stations. However, surveys have been carried out at shorter intervals in response to particular problems in some cities.

241. Interim adjustments between surveys. The guidelines state that between surveys, interim adjustments may be made on the basis of an appropriate local wage or cost-of-living index. The emphasis is placed on the word "appropriate", and a distinct preference for the use of a wage index rather than a cost-of-living index is indicated on the ground that the former better reflects the movements of best prevailing rates.

242. In Paris and Rome, salaries are adjusted between surveys on the basis of national hourly wage indexes published by the French and Italian Governments, respectively. In Montreal, use is made of wage indexes supplied by a local institute. In Vienna, both a local salary index and a cost-of-living index are used. In Geneva, interim adjustments are based on an index of the salaries paid to men only published by the Swiss Government. No indices are presently used in New York and London. However, in New York, where no surveys are undertaken by the United Nations, the salary data reported in local surveys are reviewed periodically.

243. As salary or wage indices reflect the movements of gross salaries or wages, the percentage adjustment to be applied to General Service salaries is reduced to take account of the income tax factors in the given locality.

244. Interorganization co-ordination and staff consultation. The guidelines themselves were drawn up on the basis of extensive interorganization consultations and discussions with ICSAB. However, the interpretation of these guidelines and the decisions on the methods actually applied in each locality have been taken with little or no regard for the repercussions they would have on the situation in other locations. This has resulted in fundamental disparities in the practices followed and results obtained in the seven cities, as has been indicated in the preceding paragraphs.

245. The method applied in Geneva, which is the only location where more than one organization has its headquarters, was the subject of consultation and agreements among all the organizations and their staff associations located in that city.

246. As indicated in paragraph 220, the importance of associating staff representatives with the various stages of General Service salary determination is emphasized in the guidelines and has been reaffirmed by ICSAB on a number of occasions. Extensive staff consultations on General Service salary matters do, in fact, take place in all the headquarters cities and in other duty stations.

Possible modifications of the system

247. The four Governments which gave their views on the General Service salary system (the Federal Republic of Germany, Japan, the United Kingdom and the United States) favoured continuation of basing the conditions of service of locally recruited General Service staff on local practices at each duty station, but their interpretations of what constitutes relevant local practices differed in certain respects.

248. The Government of the Federal Republic of Germany favoured linking General Service salaries to "the comparatively best salaries paid to national public servants, which could be appropriately increased, rather than the higher salaries paid in industry. Salaries should be reviewed at regular intervals and allowance made for any changes in the general costs of living and real incomes of public servants in the country where the duty station is located, in accordance with the prevailing national indices".

249. The Government of Japan endorsed "not only the maintenance of the existing principle of the best prevailing conditions ... but the strict application of the principle". Staff-management conflicts over interpretation of the word "best" should be overcome by defining the method for determining General Service pay more precisely and in "numerical terms"; at least 30 top firms should be surveyed in major headquarters cities, and more manpower and money should be invested towards conducting reliable surveys. These surveys should take place at shorter intervals than at present, e.g., once every two years, because it is difficult to find a reliable index of salary or wage movements on which to base interim adjustments. The seventy-fifth percentile, or third quartile, of outside rates should be used as the "outside matching point", as is done in New York, rather than the ninety-second percentile rates used in Geneva. Definite standards along the lines of these two numerical criteria should be established and applied universally. In the view of the Japanese Government "this is particularly important in order to prevent an escalation of jealousy and undesirable competition both among management and among staff associations in different localities, which has been caused by the allowance of too much discretion in the present regulations and practices".

250. The Government of the United Kingdom saw no need for fundamental changes in the present system. It observed that "the ICSAB guidelines based on the best prevailing local rates principle had stood the test of time, and the United Kingdom can see no acceptable alternative to them". However, it recognized that difficulties in reaching agreements on the results of surveys of outside salaries had arisen in the past, at most major duty stations, and expressed the hope that the Special Committee would be able to make recommendations for improving the methods of collecting and analysing statistical data on conditions of service prevailing in a given locality.

251. The United States Government stated its belief that the level of pay for General Service staff should be determined by "periodic comprehensive surveys of salaries paid by the more responsible employers in the locality; the exact employers selected could include any large employers nominated by the employees themselves". It also suggested that the outside rates used could be those in the seventy-fifth percentile of the survey. This would ensure that United Nations salaries compared favourably with those of large employers in the locality and were above the average rates in the community but were not the highest.

252. The executive heads in their collective response to our questions on this subject expressed the view that the principle of best prevailing conditions, as interpreted in the guidelines - i.e., that the organization should be among the best employers in the locality, though not necessarily the very best - was sound and should be retained. Although the principle had worked well enough in the smaller offices, they acknowledged that great difficulties had arisen over the application of the principle in some headquarters cities. They noted that "there appears often to be no such thing as a

prevailing rate, best or otherwise: there is merely a vast range of different rates". In consequence, there is often wide disagreement between administration and staff associations over interpretation of survey results, with no machinery for resolving the impasse. Thus far, solutions to such problems have been adopted at particular locations without much regard for their repercussions elsewhere.

253. The executive heads, in the light of experience, saw no quick or easy solution to the variety of problems involved in administering the principle of best prevailing conditions in the seven headquarters cities. In their view, the essential need was for an examination of the situation of each of the headquarters cities by a specialized external body with certain fact-finding and regulatory powers, in order to determine which elements are subject to the application of a common methodology and which are peculiar to the locality and require some special adaptation.

254. As regards interim salary adjustment between surveys, the executive heads believe that the practice in some cities of basing these on movements of a wage index should be reconsidered. The evidence indicates that, in some cities, the indices are not entirely appropriate and have resulted in the organizations' salaries being increased at a much faster rate than the best prevailing rates in the locality. They suggest that consideration be given to granting simultaneously to all staff - Professional and General Service - interim adjustments "on the basis of movements of a special United Nations cost-of-living index appropriate to the whole staff". In view of the statistical evidence that the cost of living has risen more slowly than salaries and wages in most countries, interim adjustments on a cost-of-living basis would be somewhat less favourable to the staff than on the wage-index basis. Use of the latter has often led to situations whereby the organizations' scales were found to be too high on the occasion of a full review, and difficulties with the staff ensued. The frequency of full reviews, if a cost-of-living adjustment procedure were adopted, would depend on the rate of real-income changes in the country concerned.

255. The Director General of IAEA, in a separate reply to our questions, observed that the present system operated satisfactorily in Vienna. In his view, the difficulties experienced elsewhere might be attributable to "the absence of prior agreement on a detailed methodology and the consequent tendency to compromise on each occasion that a comprehensive survey is made". Taking into account the current situation in regard to staff-management relations, he felt the only feasible way of ensuring proper implementation of the principle was to entrust the fixing of General Service emoluments "to an independent body, such as an international civil service commission". He believed further that there was a need to develop a common methodology, which should be approved by legislative bodies, so that it could be "authoritatively applied and be binding on both administrations and staff".

256. Though agreeing with his colleagues in ACC that the exclusive use of a wage index for interim adjustments was inappropriate, the Director General of IAEA did not share their view that, between comprehensive surveys, General Service staff should be compensated only for cost-of-living increases. He believed that account should also be taken of real-income increases during the period. He noted that in Vienna, a combination of the cost-of-living and wage indexes is used, and no problems had arisen on the occasions of comprehensive reviews. As an alternative, he suggested an interim adjustment in local pay scales, whenever an additional class of post adjustment became payable to staff in the Professional and higher categories.

257. The Director-General of UNESCO, in his separate submission, stated that the application of the guidelines for the establishment of General Service salaries had given rise to difficulties in Paris, as well as other headquarters cities. In 1968,

UNESCO had proposed a new salary methodology that would have used the best prevailing rates system to determine the appropriate rates for the bottom of the General Service scale while linking the highest grade in the General Service category to the lowest grade in the Professional category. In its view, this would have avoided many of the serious disadvantages inherent in the present "dual system", whereby scales of General Service and Professional staff were fixed on entirely different bases. The Director-General suggested that the problem of overlap between the upper grades of the former and the lower grades of the latter, which is inherent in the dual system of salary scales, would have been eliminated. The Director-General noted, however, that this proposal was not acceptable to the other organizations or to ICSAB.

258. In 1970, UNESCO put forward a modified plan in hopes of meeting the main objections to the original plan, namely, that it would have led to a gradual consolidation of the Professional and General Service categories. As described in paragraph 237, the latest UNESCO plan would establish General Service scales by setting the G-2, step 1, rate in accordance with best prevailing outside rates for a bilingual secretary and then setting the rates for all the other grades as fixed percentages of the G-2 rates. The UNESCO General Conference has approved the latest plan. However, the Director-General, in his submission, stated that the plan is "of an experimental nature and, thus, is subject to review in the light of experience or of any over-all decisions which might be taken within the United Nations system - but it may also provide guidance to other organizations whose situation is comparable to that of UNESCO". He emphasized that the system has not yet been put fully into effect and that the salary scales now in force were those derived from the results of the last survey made at the end of 1970.

259. Finally, the Director-General reiterated his support of the position taken by the executive heads in their collective submission that the use of the wage index for interim adjustments should be reconsidered, and might be replaced by a cost-of-living index.

260. The Director-General of FAO informed us of the recommendation made recently by an FAO committee established to study management-staff relations to the effect that the present two-category system should be replaced by a "single ladder system". The Director-General stated his support of the recommendation but recognized that before it could be considered a more specific proposal would have to be worked out. As indicated in chapter I, we have not accepted this proposal to merge the two grades.

261. FICSA recommended that General Service salaries continue to be established on the basis of the best prevailing conditions principle and that flexibility in applying that principle should be maintained in order to meet the different conditions prevailing in each duty station. It believes that salary adjustments should be made frequently and at intervals not to exceed one year and that interim adjustments should be based on a mutually agreed wage index. Its position was that "under no circumstances should the salary adjustments be delayed, whenever the agreed wage index rises by a percentage not exceeding 5 per cent". Finally, FICSA put emphasis on the need for staff representatives to participate fully "on the basis of equality in the collection and analysis of relevant data and in the decision-making process leading to the establishment of any new salary scales or the implementation of any salary adjustments between surveys".

Recommendations

262. Basic principle. We believe that the existing principle of "best prevailing conditions of employment in the locality" remains valid and recommend its retention, if only because

(a) Fair comparison with remuneration of equivalent jobs is a widely accepted method of determining salary scales and conditions of service;

(b) The United Nations, as an employer, must have regard for the practices of the labour market in the host country.

263. The current formulation of the principle, however, contains an inherent ambiguity in that it is not clear whether the emphasis should be on the word "best" or "prevailing". Although the organizations have attempted, in practice, to follow the interpretation given in the guidelines, namely, that the organizations "will be among the best employers in the locality but will not necessarily be the absolute best", the staff have tended to place the emphasis on "best" and tend to compare their salaries with the one or two best employers in the locality. The latter rates could be indicative of the "best" rates in the community while not being a measure of the "prevailing" rates in the community. Staff-management disagreements over such a fundamental interpretation of the basic principle, although not the primary reason for the divergencies and inconsistencies in the practices followed in the headquarters cities, have, in our view, made the already difficult task of selecting which employers are to be surveyed and how the data collected are to be interpreted much more difficult and controversial than is necessary.

264. The formulation of the principle should, in our view, be brought more in line with the interpretation given in the guidelines. We therefore recommend that the following restatement of the principle be considered by the legislative organs:

"The remuneration and conditions of service of locally recruited staff in the General Service category should compare favourably with those of outside local staff employed in broadly comparable work."

265. Application of the principle. We have considered the possibility of basing General Service salaries on the salaries paid in national public services. In view of the difficulties that have arisen in relating the General Service salaries to those in private industry, such a method appeared to us to be desirable, first, because public services maintain grading, career and salary structures more akin to those in the international civil service than do private firms, and, second, because it would be more consistent with the practice followed in regard to the salaries for staff in the Professional and higher categories.

266. We requested from the organizations information on the types of posts at each General Service grade at the headquarters duty stations and a comparison of the salary scales in each locality with those applying for comparable work in the host government service. We received detailed information and comparisons for Geneva, London, New York, Paris and Vienna. ICAO, in Montreal, informed us that no comparison with government pay had ever been undertaken. FAO replied that the qualification requirements for General Service staff in Rome differed from those of the Italian civil service for comparable work and, therefore, any comparisons would be misleading.

267. In those cities where comparisons had been made it was found that General Service salaries were significantly higher than those paid by the relevant public services. This was to be expected inasmuch as the rates paid by private employers, who are the main competitors for the type of clerical and secretarial staff needed by the organizations, are invariably higher than those paid by Governments. The question therefore arose whether, as suggested by the Government of the Federal Republic of Germany, government rates could be "appropriately increased". The evidence we received indicated that it would be difficult to quantify the differences in such a manner as to make the task of establishing General Service conditions of employment less contentious.

268. In 1962, when the General Service salaries in Geneva were compared with those paid in the cantonal and municipal public services, an Expert Committee, under the chairmanship of Sir Harold Parker, recommended a margin of 15 per cent over the cantonal rate as being "fair both to the staff concerned and to Member States which are called upon to provide the necessary finance". It acknowledged that "the amount of the excess must be a matter of opinion and judgement and that it would be unwise to assess separately all the relevant factors". This recommendation was acceptable to some organizations but not to others or to the staff associations. In the end it was not adopted.

269. Either as a separate exercise or as a part of the procedures followed for determining the appropriate margin in each locality, studies would have to be undertaken of the fringe benefits provided by the public service being surveyed, which could be federal, state or municipal services. These benefits often involve such difficult-to-quantify elements as full payment by the employer of pension contributions, free medical and life insurance coverage, special allowances or bonuses, subsidized meals, assistance with housing costs etc.

270. We have come to the conclusion that use of the public services as the primary comparator, though eliminating some of the areas of controversy in the present system, would create others of a more serious nature. The rates paid by public services are relevant, but their use as the sole basis for salary determination would merely substitute one type of difficulty for another. This does not mean, however, that the conditions of employment in public services should be excluded from local surveys. On the contrary, in view of the similarity between national and international civil services in regard to some elements of remuneration, we recommend that the national services should be one of the employers to be included in a survey of local conditions of employment.

271. Method of establishing salary scales. The disparities in the grading and salary structures in force in the seven headquarters cities (see paragraphs 203 through 206) seem to us to be wider than can be explained by reference merely to variations in local conditions and in the needs of the organizations and to point to defects of method, in particular, to the absence of agreed standards in such matters as the definition of levels of responsibility, the provision of adequate within-grade advancement and the construction of scales affording a reasonable career progression. We recommend that definition of such standards should be one of the tasks to be entrusted to the civil service commission. In addition, as suggested by the executive heads, this body should be asked to examine the existing situations in each of the headquarters cities with a view to determining which elements are subject to the application of a common method and which are peculiar to the locality and require special adaptation.

272. In the meantime, though accepting that each organization should remain free, within the framework of the guidelines, to adopt the structure best suited to its own internal requirements, we recommend that each organization should re-examine its existing pay structure in the light of the comments in this report and from the point of view of enlightened personnel practices based on principles of motivating employees to do their best work.

273. We have not felt it either possible or desirable to formulate any precise grading structure that might be applicable to all offices. We suggest, however, the following criteria, which, in the absence of compelling local reasons, might be appropriately applied in the construction of General Service scales:

- (a) A spread within each grade of about 30-40 per cent from bottom step to top step, so that those remaining in a single grade can have a modest advancement over a period of years;
- (b) Step increases of approximately 2-4 per cent, with the larger percentage of increments in the lower grades;
- (c) Limited overlap between grades, usually with step 5 or 6 in a 10-step scale overlapping with step 1 in the next higher grade.

274. Applying these criteria to a six-grade structure, for example in New York, might result in an index relationship between levels and steps similar to that shown in the table below, with the bulk of recruitment at the G-2 grade.

MODEL OF INDEX RELATIONSHIP BETWEEN GRADES AND STEPS

Grade	Step									
	I	II	III	IV	V	VI	VII	VIII	IX	X
G-1	100	104	108	112	116	119.5	123	126.5	130	133.5
G-2	119.5	123	126.5	130	133.5	137	140.5	144	147.5	151
G-3	137	140.5	144	147.5	151	154	157	160	163	166
G-4	154	157	160	163	166	169	172	175	178	181
G-5	169	172	175	178	181	184	187	190	193	196
G-6	184	187	190	193	196	199	202	205	208	211

275. As regards the difficulties that have been experienced in several centres on the method of surveying outside rates, we see no alternative, in those centres where reliable statistical data on outside employment are not available, to the existing practice of surveying a selection of outside employers. Such surveys should not be too elaborate: they should normally involve 25 to 30 local employers (including the local national service) which could form a semi-permanent group for pay comparison purposes, subject to periodic review. Rates paid by such employers for from 10 to 15 carefully selected jobs should be assembled, so that a good array of rates can be

made. To ensure that United Nations rates will compare favourably the use of the seventy-fifth percentile as the outside matching point for each job, as developed in the guidelines, should be continued. The inside matching point will have to be determined in accordance with the relationship of the outside job to the United Nations grade level and the relationship of the seventy-fifth percentile rate to the minimum and the maximum rates for the outside job (see paragraph 228).

276. Frequency of surveys and interim adjustments between surveys. In the intervals between surveys, current practice in most headquarters cities has been to use locally published surveys of cost-of-living or wage-level indicators as the basis for interim adjustments. Often, these are inappropriate for white-collar employees and tend to distort the "prevailing conditions" concept. A more acceptable alternative might be to make a spot check of changes in pay rates for key jobs, in order to determine whether changes in locally published indexes are borne out by actual changes in pay rates. When both the spot checks and the changes in published indices justify an increase of at least 5 per cent, a one-time, across-the-board raise might be made. A full survey, however, should be made the next time that a salary increase appears to be needed.

277. Finally, we see no justification for the use of the post adjustment index for the adjustment of General Service salaries. We recognize, however, that in setting the effective date of the adjustment organizations may require some flexibility in the interests of ensuring coincidence with salary adjustments for other categories of staff.

Chapter V

ALLOWANCES AND BENEFITS

Introduction

278. We have examined the system of allowances and benefits which form an important part of the existing conditions of service in the United Nations common system. These allowances and benefits amount to 25 per cent of the payroll. Certain aspects of the pension arrangements are treated separately in Chapter VI.

279. With the exception of the family allowances, education grant, assignment allowance, and termination indemnity, all of which are in need of adaptation to current conditions, the benefits available to the staff appear to be generally satisfactory. However, as noted in Chapter II on the common system, there are a number of variations in the practices followed by the organizations in respect of the terms of entitlement to some of the allowances and benefits. We have reviewed these variations and have made a number of recommendations which, if adopted, would bring about greater uniformity and consistency of practice. The benefits falling in this category are: (a) the language allowances for General Service staff, (b) the language incentives for staff in the professional and higher categories; (c) the non-resident's allowance; (d) annual and home leave entitlements; and (e) mode and standard of travel. We have also recommended that the present provisions of the installation grant and repatriation grant, which are described in paragraphs 365 through 368, and paragraphs 373 through 376 respectively, should be reviewed by the proposed intergovernmental civil service commission.

Family allowance

280. From the beginning, the United Nations salary system has distinguished between the levels of remuneration of staff with dependants and those of staff without dependants, in recognition of the fact that the former - especially expatriate staff - incur higher expenses. The present arrangements for dependency benefits have been in effect since 1957.

281. Since the principles governing the establishment of salaries and other conditions of service differ as between staff in the professional and higher categories and staff in the General Service category, different methods have been applied in determining the rates of family allowances for each.

282. Professional and higher categories. Eligible professional and higher level staff receive dependency benefits through both the scheme of family allowances and the dependency differential in the post adjustment system. The amounts of the allowances, which have remained unchanged since 1957, are as follows:

- (a) \$400 per annum for a dependent spouse. The rate established in 1957 was \$200. In 1962, the General Assembly approved new base salary scales into which two classes of post adjustment had been incorporated at the married rate minus \$200. The loss of the \$200 to married staff was compensated by adding it to the \$200 dependent spouse allowance. Thus, this partial realignment of two remuneration elements, resulted in the spouse allowance being changed from \$200 to its present value of \$400.
- (b) \$300 per annum for each dependent child.
- (c) \$200 per annum for at most one secondary dependant, provided that no allowance is paid for a dependent spouse.

283. The dependency benefit in the post adjustment system represents the difference between the rates for staff members with dependants and the rates for staff members without dependants, which are one third less. ^{36/} The amount of the benefit, which does not vary according to the number of dependants, is, therefore, proportional to the relative cost of living level of the duty station as measured in post adjustment classes. It varies from no benefit in Class G or minus post adjustment areas to a fairly substantial benefit in high post adjustment areas. This feature had been introduced into the post adjustment system to provide additional benefits in those high cost areas where the uniform dependency allowances would not be sufficient.

284. Some members believe that the incorporation of a dependency benefit in the post adjustment system constitutes an error of logic or at least an element of confusion between the principle of uniform purchasing power of salary and the social principle which on the outside is expressed through a tax differential and not through cost-of-living allowances. They urge that the two-scale post adjustment system be abolished and that full compensation for cost-of-living increases should be granted to all staff in the professional and higher categories. Under such a scheme, staff members with no dependants would be subject to a higher staff assessment to avoid their benefiting from the "social element" included in salary. Thus, the single scale staff assessment would be replaced by a two-scale system. Other members were of the opinion that all family allowances, including spouse allowance, should continue to be applied on a flat rate basis as at present. (See separate opinion by Mr. Bello in appendix B). Since we have decided to recommend a further study of the post adjustment system, we took no position on this matter.

^{36/} For post adjustment purposes, only primary dependants, that is, spouse or children, are taken into account.

285. A comparison of current staff assessment rates with the national tax rates in the seven headquarters countries shows that there are appreciable differences between them in respect of the rates applied to persons with dependants: ^{37/} The 1970 average national tax rates at all income levels, for persons with no dependants were approximately 4 per cent higher than the average rates for persons with dependent spouses. In respect of each child there was a further difference of from about $\frac{1}{2}$ per cent at the lower salary levels to $\frac{3}{4}$ per cent at the higher salary level. One member considers that taxation in the United Nations common system is artificial since no staff member, in his view, pays taxes.

286. In general, the dependency differentials resulting from the average national tax rates in respect of a child are less than the amount of the children's allowances in the United Nations. The tax benefit, however, is proportional to the income level of the outside employee and, in many countries, a separate uniform children's allowance is paid in addition.

287. The reverse is the case in respect of a dependent spouse. The United Nations spouse allowance of \$400 is substantially less than the tax benefit for salary levels of \$16,000 or more in five of the seven headquarters countries. The table below gives the average net values of the tax exemptions in 1970 for a dependent spouse at gross salary levels corresponding roughly to grades P-1 through D-2.

Gross salary	Average net benefit of exemption in seven national tax systems	Net benefit of exemption in United States tax system
\$	\$	\$
10 000	406	376
16 000	635	656
24 000	952	1 206
32 000	1 253	1 710

288. Since these tax data were collected there have been changes in at least some of the national tax rates. In the United States and France, the effect of some of the changes has been to increase the dependency differentials.

289. It was represented to us that two European organizations, the OECD and EEC, paid a benefit for a dependent spouse which was proportional to the income of its employees. In OECD a "head of family" allowance of 6 per cent of net base salary was payable; in EEC, there were lower staff assessment rates for married staff and a "head of family" allowance of 5 per cent of gross salary was payable. Mr. Bello, Mr. Chiba, Mr. Chowaniec, Mr. Koulazhenkov and Mr. Roy believe that, on the basis of the Committee's deliberations, it would be unfair to cite EEC and OECD practices in respect of the spouse allowance since no comparisons have been made of the total conditions of services of these two organizations with those of the United Nations common system. It is inappropriate, in their view, to arbitrarily select a few allowances which appear to be favourable to the staff.

^{37/} Staff Assessment Rates, paper by the organizations in the United Nations system, document A/AC.150/12.

290. The real value of the dependency allowances varies according to the duty station and the purchasing power of each is affected by cost-of-living variations and currency fluctuations over time and place. Table 1 shows how these allowances undergo a loss or gain of purchasing power in proportion to the cost-of-living, i.e. post adjustment class, at a duty station; Tables 2 and 3 analyse the loss of purchasing power of the spouse allowance and children's allowance respectively over time and place using 1 January 1962 as the starting point for the former and 1 January 1957 for the latter, the dates on which the present amounts of each were fixed.

TABLE 1

Class of post adjustment	Spouse and secondary dependant			Child
	%	(a) \$	(b)	
C	118	471	235	353
B	111	444	222	333
A	105	421	210	316
0	<u>100</u>	<u>400</u>	<u>200</u>	<u>300</u>
1	95	381	190	286
2	91	364	182	273
3	87	348	174	261
4	83	333	166	250
5	80	320	160	240
6	77	308	154	231
7	74	296	148	222
8	71	286	143	214
9	69	276	138	207
10	67	267	133	200

TABLE 2

Class of post adjustment	Actual purchasing power at each class		Loss of purchasing power at each class		Allowance required after adaptation to the cost of living in January 1969
	%	\$	\$	\$	
C	90	358	48	448	
B	85	338	74	474	
A	80	320	100	500	
0 as at 1 January 1962	<u>100</u>	<u>400</u>	-	-	

TABLE 2 (continued)

Class of post adjustment	Actual purchasing power at each class		Loss of purchasing power at each class		Allowance required after adaptation to the cost of living in January 1969
	%	\$	\$	\$	\$
0 as at 1 January 1969 ^{a/}	76	304	127		527
1	72	290	153		553
2	69	276	179		579
3	66	264	206		606
4	63	253	232		632
5	61	243	259		659
6	58	234	285		685
7	56	225	311		711
8	54	217	338		738
9	52	210	364		764
10	51	203	390		790

^{a/} The Geneva special index rose from 108.2 to 135.8 between 1 January 1962 and 31 December 1968. Since the index 108.2 was reduced to 105 by decision of ICSAB, the corrected index as at 31 December 1968 is 131.7, indicating an increase of 31.7 per cent during the base period.

TABLE 3

Class of post adjustment	Actual purchasing power at each class		Loss of purchasing power at each class		Allowance required after adaptation to the cost of living in January 1969
	%	\$	\$	\$	\$
C	82	246	65		365
B	78	233	87		387
A	73	220	108		408
0 as at 1 January 1956	<u>100</u>	<u>300</u>	-		-
0 as at 1 January 1969	70	209	130		430
1	66	199	151		451
2	62	190	173		473
3	60	182	194		494
4	58	174	216		516
5	56	167	237		537
6	54	161	259		559
7	52	155	280		580
8	50	150	302		602
9	48	144	323		623
10	46	140	345		645

291. On the basis of current data, if the two-scale staff assessment plans we discussed were introduced, the benefit, in net terms, for a dependent spouse in comparison with national tax benefits would be:

<u>Gross salary</u>	<u>Benefit under staff assessment rates suggested</u>	<u>Average benefit in national tax systems</u>	<u>Benefit in United States tax system</u>
\$	\$	\$	\$
10 000	400	406	376
16 000	640	635	656
24 000	960	952	1 206
32 000	1 280	1 253	1 710

292. Although it would also be possible to devise a scheme of basing benefits for dependant children on staff assessment exemptions, the situation differs from that of a spouse allowance in that it is fairly common in outside practice to pay children's allowances at flat rates which do not vary with salary. Insofar as these allowances have come to be regarded as a social benefit, we believe that to establish the rates according to the salary level of the staff member might run counter to the modern concept of social security. Furthermore, it would involve a staff assessment plan far more complicated and cumbersome than the one we have considered.

293. However, we also feel that the objective of equalizing the purchasing power of the United Nations remuneration over time and place cannot be fully met so long as dependency allowances are not subject to post adjustments.

294. Accordingly, we recommend that the following change should be introduced into the system of family allowances for staff in the professional and higher category with effect from the date of application of the new salary system proposed in Chapter III:

The dependency allowances in respect of children and secondary dependants should continue to be fixed as net amounts. They should, however, be varied by blocs of post adjustment classes to bring them more into line with the current cost of living at the various duty stations where post adjustments are payable. More specifically, the amount of each allowance should be adjusted by 10 per cent differentials for each 2 classes of post adjustment; no differential should, however, be applied to the allowance at those duty stations where the salaries are subject to a deduction of post adjustment; even though this is contrary to the principle of equalizing the purchasing power of allowances for dependants.

Mr. Bello, Mr. Chiba, Mr. Chowaniec and Mr. Koulazhenkov dissent from this recommendation. They submit that there is no justification for adjusting upwards the allowances for children and for secondary dependants according to post adjustment classifications of duty stations as these allowances were intended to compensate for the absence of dependency benefits in the staff assessment plan.

295. General Service Category. The family allowances for General Service staff, which normally are fixed in accordance with local practice, vary from duty station to duty station. In establishing the amount of the allowance in a given locality, account is taken of the children's allowances paid by the State or outside employers and the tax benefit. In those duty stations where it is not local practice for employees to receive such an allowance or tax benefit, the United Nations organizations establish the amount of the allowance as a percentage of grade 1, step 1, of the local General Service salary scale and limit the number of children for whom the allowance is payable to not more than six. In certain duty stations, a General Service staff member who has dependent children but no spouse, may receive, in conformity with outside local practice an allowance in respect of the first child equal to the combined normal allowances for a spouse and child.

296. An allowance for a spouse or a secondary dependant is paid only in those localities in which outside employees receive such an allowance or a tax benefit or both. The amounts of each allowance are fixed, however, mainly on the basis of the tax benefit which an outside employee would receive. The secondary dependant's allowance is

payable in respect of not more than one secondary dependant and, only if no spouse allowance is being received. In Rome, however, because of the practice of outside employers, a General Service staff member may receive the allowance in addition to a spouse allowance and may receive more than one secondary dependant allowance.

297. We find the present method of establishing the rates of the dependency allowances for staff in the General Service category to be satisfactory and recommend no change. We believe, however, that the existing limitation, under which an allowance for a secondary dependant is paid to a staff member only in respect of one such dependant and only if he is not paid a spouse allowance, should be observed by all organizations. This should apply in respect of staff in both the professional and higher categories and the General Service category.

Education grant

Underlying principle

298. The basic principle underlying the education grant since its inception in 1946 has been that the United Nations should help expatriate staff to meet the extra costs and other problems which they face in providing for their dependent children an education that will enable them eventually to be assimilated in their own country when they return to it, whether for further education or to find employment. All past review bodies have reaffirmed this principle and have reiterated that in respect of the financial provisions of the system the purpose is not to relieve the parent of the normal expenditure incurred in educating his children but to assist the internationally recruited staff member - both in the General Service and Professional and higher categories - in meeting the extra expense arising solely out of his expatriation in the service of the United Nations organizations.

299. The changes which have taken place over the years relate to the basic provisions of the system, namely (a) the conditions under which the grant is payable; (b) the amount of the grant; and (c) the related travel entitlements. 38/

Existing practices

300. Conditions under which the grant is payable. The basic condition fixed by the General Assembly is that the education grant shall be payable to a staff member serving outside his own country for each dependent child enrolled in full-time attendance at a school, university or similar educational institution.

301. The grant ceases to be payable at the end of the school year in which the child reached the age of 21, which is the age limit under the definition of dependency.

38/ The evolution of the system is set out in Appendix B, of document A/AC.150/3, "The Development of the United Nations Salary System."

302. Amount of the grant. If the school or university is situated outside the country of the duty station, the amount of the grant is:

- (a) where the school provides board - 75 per cent of the cost of board and tuition up to a maximum of \$1,000;
- (b) where boarding is not provided by the school - \$500 plus 75 per cent of the cost of tuition up to the maximum of \$1,000.

For a primary and secondary school in the area of the duty station, the grant is 75 per cent of the cost of attendance up to a maximum of \$1,000. Cost of attendance includes school lunches and collective transport to and from the school. No grant is payable in respect of attendance at a university in the country of the duty station.

303. Travel entitlements. If the child is being educated away from the duty station of the parent, the cost of one return journey each scholastic year between the school or university and the duty station is payable up to a maximum equal to the cost of a return journey from the duty station to the home country.

304. In appendix A of this chapter statistical information for the year 1970 is given on the number of children from whom the education grant was payable and the types, locations and costs of the schools being attended. The figures in Tables 1A and 1B, although incomplete in some respects, show that nearly 12,000 children are affected by the conditions of the grant.

305. The distribution by cost groupings of the actual costs reported by staff members [Table 2A] is not completely accurate because of different techniques used among the organizations in recording and reporting the payment of boarding charges. Nonetheless, the data constitute a sufficiently reliable indicator of the education costs.

306. The present maximum of \$1,000 was established by the General Assembly at its twenty-third session upon the recommendation of ICSAB which reviewed the amount of the grant in relation to relevant school costs in 1965. From Table 2 it can be seen that in 1970 slightly more than 1,300 children, or some 10 per cent of the total, incurred education costs above \$1,333, i.e. received the maximum grant; in more than two hundred cases the maximum grant covered less than half the cost, and in about one hundred cases, it covered less than one third.

307. There is considerable evidence that, since 1965, the cost of day school tuition has increased much faster than the general cost of living. Table 3 of appendix A shows that the tuition costs at selected day schools attended by many children of international officials in New York, Geneva, Paris and Rome have increased by fifty per cent or more since 1965. In New York, the tuition fees for the United Nations International School (UNIS) have recently been increased and presently range from \$1,425 at the primary level to \$2,150 at the secondary level.

308. The costs of boarding have also been increasing. The 1971/1972 fees for boarding pupils at the Geneva International School are \$2,500 per year. In the United Kingdom, the inclusive fees for boys at typical schools used by international staff are approximately \$2,000. Costs in the United States are considerably higher.

309. It was represented to us that there are some national foreign services that pay no education grant because the level of other allowances is adequate to cover all education costs and there are some which pay a grant equal to full average cost of an appropriate school. The United Kingdom, for example, pays the full average cost of United Kingdom boarding schools as a flat rate grant to foreign service officials whose children are sent to boarding school; the United States pays the full cost of the nearest adequate school through high school, less \$50; the Union of Soviet Socialist Republics provides free schooling for children in Soviet schools either at the duty station or in the USSR.

310. We were also told that the problem of the education of children was among the principal difficulties which arose in respect to the recruitment and retention of field staff and that staff and experts in field locations experienced more difficulties in the education of their children than did staff assigned to Headquarters duty stations. Because local schools were often not suitable for reasons of language, culture, or the nature of the educational system and its standards, the education costs incurred by field personnel were often excessive due to the almost inevitable need to send their children to schools outside the duty station. Where this involved boarding schools outside the country of the duty station, there was the problem of hostels or dormitories often being closed during vacation periods. Furthermore, frequent transfers of field staff often resulted in one or two years' delay in the completion of university education of their children. This fact, together with high education costs, inhibited the mobility of staff.

311. After reviewing the existing practice and all the evidence presented to us, we examined a number of proposals submitted to us for changes in the education grant system.

312. Amount of the grant. In light of the statistical evidence detailed in the appendix A and the other information cited in the paragraphs above, we believe the amount of the grant should continue to be 75 per cent of the costs of attendance at a school or university, but that the maximum grant payable should be increased from the present \$1,000 to \$1,500. On the basis of the 1970 statistics presented to us and projecting a 10 per cent increase in costs since then, only about 300 cases in 1971/72 would have reached or passed the \$2,000 cost at which the \$1,500 maximum reimbursements would apply. Also, the limitations on the percentage of actual costs reimbursed (75 per cent) would continue to serve as a check against parents choosing unduly expensive schools for their children. On the other hand, the maximum grant payable should be sufficient to enable staff to send their children to the United Nations international schools without undue financial strain. Two members of the Committee dissent from this recommendation. Mr. Koulazhenkov notes that the expenditures incurred in 90 per cent of the cases reported did not involve payment of the present maximum of \$1,000. There is, therefore, no ground for increasing the maximum. Mr. Bello favours raising the maximum to \$1,200.

313. Where the grant is payable for more than one child of a staff member, we recommend that the staff member should be entitled to have the total school costs lumped together and the 75 per cent reimbursement criteria applied to these total costs.

314. On the question of payment of the grant for university attendance in the country of the duty station, it was represented to us that the basic argument made against payment in 1961 when the education grant system was last extensively reviewed, was that non-expatriate staff would feel unjustly treated if they received no grant and the grant was paid to colleagues whose children were in the same universities as their own.

315. We believe that if this argument had validity, then it would apply equally well to secondary or primary schools, e.g. UNIS. In our view, however, the argument is not valid because the education grant was designed to enable the organizations to recruit and retain expatriate staff. The possibility of better university arrangements in the country of the duty station can be a strong recruitment incentive which the organizations are presently denying themselves. Furthermore, the non-payment of the grant for attendance at universities in the duty station has led to additional expenses for the organizations in some cases, in that it leads some staff members to send their children to a university in another country. When this occurs, the organizations must pay the children's travel cost, in addition to the grant itself. For these reasons we recommend that the existing exclusion of university attendance in the country of the duty station from the conditions under which the grant is payable should be discontinued. Mr. Chiba and Mr. Koulazhenkov feel that the grant in such cases should be reduced by one half in view of the principle referred to in paragraph 298 and the argument given in paragraph 314.

316. From the evidence we received it is apparent that the present provision whereby the grant ceases to be payable at the end of the school year in which the child reaches the age of 21 is unduly restrictive; it is often the case that children of staff members are unable, either because of military service or the transfer of their parents from one duty station to another, to benefit from the grant to the same extent as it is available to those who are not subject to those limitations. We therefore recommend that the grant should be payable in respect of attendance at a school or university up to the end of the fourth year of university education or until the award of the first recognized degree, if this is sooner. We believe this formulation to be both more flexible and more reasonable than a mere extension of the age limit. Mr. Koulazhenkov does not favour changing the existing age limit. Mr. Hull believes that there should be some upper age limit and considers that age 22 would be reasonable.

317. Education travel entitlements. The proposal was made to us that during the non-home leave year, the cost of two return journeys between the school and duty station should be payable for children of staff members whose spouses reside with

them at the duty station. Under the present system such a trip is authorized once a year and, in addition, one home leave journey is provided once every two years. Thus, the proposal would amount to providing one additional return journey every two years.

318. We do not recommend any change in the existing travel entitlements which appear to us to be in accordance with the best national practices. No evidence was presented to indicate that this was not the case.

319. We are also unable to accept the proposal that - in the interest of promoting international schools - eligibility for the grant should be extended to all staff members regardless of nationality who enrol their children in international schools. Apart from the fact that the proposal would involve a fundamental departure from the basic principle underlying the education grant system, it would raise questions of equity in respect of staff stationed at duty stations where there are no United Nations international schools.

320. Finally, we recommend 1 January 1973 as the date for implementation of the changes we have proposed for the education grant. Mr. Bello, Mr. Chiba, Mr. Chowaniec, Mr. Hull and Mr. Koulazhenkov take the view that the effective date for the implementation of all the recommendations should be the date on which the new salary system for staff in the professional and higher categories is introduced.

Assignment allowance

321. The assignment allowance was introduced in 1957 on the recommendation of the 1956 Salary Review Committee as one means of reconciling divergent conditions of service in different programmes. At that time it was felt that in multi-national service (in which conditions of service cannot be varied on grounds of nationality) it would be difficult to offer financial incentives to staff for service at some duty stations but not for others. Accordingly, the assignment allowance was designed as compensation for non-removal of household effects. However, over the years it has also become the only allowance which serves as a financial incentive to field service.

322. In some organizations, the allowance is payable for short term assignments or appointments to headquarters duty stations if no removal of household effects is granted; in others, the allowance is never paid in respect of appointment or transfers to headquarters duty stations.

323. In the United Nations, an official appointed or transferred outside his home country for a period of one year or less than two years is paid an assignment allowance. For fixed-term appointments of two years or more but less than five years, the United Nations decides whether to pay the assignment allowance or to grant removal entitlement. Normally, in these cases the allowance is paid for field assignments and removal costs are paid for assignments to a headquarters location.

324. The assignment allowance is not payable for more than five years' service at any one duty station. If a staff member is expected to remain at a duty station for at least two years beyond the expiration date of the allowance, he normally acquires an entitlement to removal of his household effects.

325. The rates of the allowance, as established in 1957 and applied by all organizations at all duty stations, are -

<u>Grade</u>	<u>Staff without dependants</u>	<u>Staff with dependants</u>
P-1 and P-2	\$ 800 per annum	\$1,000 per annum
P-3 and P-4	\$ 950 per annum	\$1,200 per annum
P-5 and above	\$1,100 per annum	\$1,400 per annum

326. Since 1957, there has been a great increase in the number and variety of duty stations away from headquarters. Although nearly all of them are referred to as "field duty stations", some are comparable in the amenities they have to the headquarters areas. For such areas, the allowance may exceed what is necessary to cover extra costs of furnished quarters, and the excess cannot be justified by a need for incentives. On the other hand, there are many duty stations at which conditions are such that a strong incentive is needed and that the present assignment allowance is not sufficient. The amounts of the allowance have not been changed since their introduction although the average cost-of-living (as measured by the weighted average of post adjustments) has increased by 50 - 60 per cent over the intervening period.

327. A proposal was submitted to us to revise the assignment allowance system to make it a more selective system under which the amount of the allowance would vary according to the "hardship" classification of the duty station. Under the proposed scheme, the allowance for the headquarters duty stations and duty stations where conditions are essentially comparable to those in headquarters areas (to be designated Class I) would be designed to compensate solely for non-removal of household effects; at other duty stations (Class II and III) the allowance would be made up of two parts: one part consisting of the compensation for non-removal (i.e., the amount corresponding to the allowance set for Class I duty stations) which would be payable for no more than five years' service at any one duty station, and the other part would be a financial incentive for service in an area where living conditions were more difficult than in headquarters locations, this portion being payable as long as the staff member remained in the duty station.

328. It was further proposed that the present flat rates of the allowance might be changed to a percentage of net salary, perhaps a maximum of 5, 15 and 20 per cent for staff with dependants in Class I, II and III duty stations respectively. For staff without dependants the rates would be lower.

329. In the case of Class I duty stations the amount of the allowance would represent a reduction in all cases where the allowance is now paid. It was argued that over-all the revised scheme could be developed in such a way that its cost would not exceed the cost of the present scheme increased by the average cost-of-living rise since 1957.

330. Another view expressed to us was that the present system was relatively straightforward in concept and application and operated reasonably satisfactorily and that no changes should be made.

331. We have concluded that the solution lies somewhere in between these two proposals and, accordingly, make the following recommendations:

(a) The assignment allowance should continue to be paid as compensation for non-removal of household effects in cases where a staff member is assigned to a duty station for a specified period, except that,

- (i) instead of being applied at the same rates at all duty stations, it should in future consist of two rates; a reduced rate for headquarters and comparable duty stations as determined by the executive heads of the organizations and a higher rate for all other duty stations;
- (ii) at headquarters and comparable duty stations, the allowance should be paid for assignments of less than two years; at all other duty stations it should be paid for the duration of the assignment. Mr. Koulazhenkov believes that at headquarters and comparable duty stations assignment allowance should be paid for up to two years to all staff members who do not use their entitlement to removal of household effects.

(iii) with effect from 1 January 1973,^{39/} the rates of the assignment allowance should be revised as follows:

Grade	Rates (in US dollars)					
	Staff without dependants			Staff with dependants		
	Present	Proposed	Else-where	Present	Proposed	Else-where
All duty stations	HQ and comparable duty stations	All duty stations		HQ and comparable duty stations		
P-1 and P-2	800	600	1,000	1,000	800	1,200
P-3 and P-4	950	750	1,100	1,200	1,000	1,300
P-5 and up	1,100	900	1,200	1,400	1,200	1,500

(iv) The criteria for the differentiation between duty stations for the purpose of applying the assignment allowance should be studied by the proposed Intergovernmental Civil Service Commission.

Termination indemnities

332. The existing scale of termination indemnities for staff on permanent appointments was established by the General Assembly in 1946 and provides for the payment of one month of net base salary for each completed year of service, up to a maximum of nine. As regards fixed-term appointments, an indemnity is payable only for termination prior to the expiration date of a current contract and is set at one week of net pay for each month of uncompleted service subject in some organizations to a maximum or minimum or both (in the United Nations, the minimum is thirty working days' pay and there is no maximum). No account is taken of the years of completed service in setting the indemnity for fixed-term staff.

333. A termination indemnity is paid to a staff member separated from the organization if the interruption of the contractual relationship was a result of action taken by the organization for reasons of its own. The principal grounds for termination under which an indemnity is payable are: abolition of post, reduction of staff, unsatisfactory service, incapacity for further service by reason of health, in the interest of good administration if the termination is not contested by the staff member, i.e. "agreed terminations", and misconduct. No termination indemnity is paid in cases of summary dismissal, voluntary separation at the initiative of the staff member, and non-renewal of a fixed-term appointment.

^{39/} Mr. Bello, Mr. Chiba, Mr. Chowanec, Mr. Hull, and Mr. Koulazhenkov dissent on the date of application of the changes for the reason set out in paragraph 320. Mr. Hillis enters a reservation about the proposed rates of the assignment allowance.

334. After a careful review of all aspects of the existing system we have come to the conclusion that the present provisions for termination and termination indemnities can result in serious inequities between

- (i) staff members whose permanent appointment is terminated after long service as compared to those with shorter service;
- (ii) staff members of long service who hold fixed-term appointments as compared to those with permanent appointments; and
- (iii) staff members whose appointment is terminated through no fault of their own as compared to those whose appointment is terminated for unsatisfactory service or misconduct.

335. Furthermore, we believe that inadequate compensation for unilateral terminations of appointment can inhibit the efficient management of a secretariat. A scale of indemnities, for example, or its unequal application, if widely looked upon as inadequate and unjust, can prove an obstacle to measures for reduction in, or reconversion of, the establishment. Also, where continuing posts are occupied by individuals no longer fully productive, inadequate indemnities can both discourage supervisors from initiating a termination of the appointment and encourage resistance through costly appeals proceedings by staff members who consider themselves unfairly treated. In such a situation, economy on indemnities proves to be a false economy, the indemnity being less expensive than payment of full salary for a continued employment which no longer renders full service.

336. The conditions of the United Nations common system, as regards termination indemnity, should, in principle be based on those of good national public services. It was represented to us that an increase of the maximum indemnity payment to 18 months' pay would not be unreasonable in comparison to the maximum in some other schemes. In the European Economic Community, the maximum (which depends on age as well as service) can reach 108 months' pay, though the compensation is not paid as a lump sum. Swiss practice, (in cases where no pension is payable), which was incorporated into the rules of ITU and UPU before they entered the United Nations common system, provided a maximum of 36 months' pay. In CERN (European Centre for Nuclear Research), the compensation is related to both age and years of service after age 30, and the maximum is 52 months' pay, reached at ages 54-56. In the practices of 6 countries examined (Belgium, France, Japan, Switzerland, United Kingdom and the United States of America), almost invariably staff terminated with a certain age and length of service receive immediate pensions, and others receive a lump sum, sometimes also with deferred pensions. Mr. Bello, Mr. Chiba, Mr. Chowanec, Mr. Koulazhenkov and Mr. Roy objected to citing in the report information which had not been discussed in the full committee. They considered such selective references inappropriate.

337. In light of all the evidence presented to us, we favour increasing the maximum indemnity payment from 9 months' pay to 18 in those cases where the termination is for reasons other than unsatisfactory service or misconduct.

338. Mr. Koulazhenkov favoured retaining the existing nine months' maximum although he felt that both the present and proposed schemes discriminate against fixed-term staff. He joins nevertheless four other members (Mr. Chiba, Mr. Chowanec, Mr. Hull and Mr. Roy) in the view that there is no justification in doubling the existing maximum. They feel that the most that would be reasonable is an increase in the maximum by one third, providing a full year's pay as termination indemnity.

339. In the interest of providing greater equity in the system, we recommend that the terms applicable to fixed-term staff who are terminated or their contracts not renewed after a long period of service under repeated fixed-term contracts should be harmonized with the terms applicable to permanent staff. Accordingly, we propose the scale of indemnities given below for staff members terminated after 5 or more years of service if the grounds for termination are one of the following:

- (i) abolition of post,
- (ii) reduction of strength,
- (iii) incapacity for further service due to impaired health, or
- (iv) non-renewal of a fixed-term contract.

Compensation in months of pay

<u>Years of service</u>	<u>Fixed-term official</u>	<u>Permanent official</u>
5	-	5
6	1½	6
7	3	7
8	4½	8
9	6	9
10	7½	10
11	9	11
12	10½	12
13	12	13
14	13½	14
15	15	15
16	16	16
17	17	17
18 or more	18	18

340. The provisions we recommend for a revised termination indemnity scheme are:

(a) A staff member whose permanent appointment is terminated because of

- abolition of post,
- reduction of strength, or
- incapacity for further service due to impaired health,

should be paid an indemnity of one month's net salary for each year of service, subject to a minimum of 3 months and a maximum of either 18 months or the number of months remaining until the age of sixty, whichever is less. If he is aged 55 or more and has completed 25 years of service, he should be paid as indemnity the difference between the early retirement benefit payable to him under the Joint Staff Pension Fund regulations and the retirement benefit he would have received at age sixty;

(b) If the staff member whose permanent appointment is terminated for reasons of health is entitled to a disability benefit under the Joint Staff Pension Fund regulations, he should be paid as indemnity the difference between the disability benefit payable to him over the first 18 months and the maximum of indemnity otherwise payable;

- (c) A staff member whose permanent appointment is terminated in the interests of the good administration of the Organization and the termination is not contested by him should similarly be paid an indemnity in accordance with the rates set out in paragraph (a) above. Where an executive head has the discretion to pay up to 50 per cent more than the standard rate, if he considers it justified in the particular circumstances of such an agreed termination, the indemnity payable should also be subject to the maximum;
- (d) A staff member whose permanent appointment is terminated for unsatisfactory service should be paid an indemnity of one month's net salary for each year of service, subject to a minimum of 3 months and a maximum of 9 months;
- (e) If a permanent appointment is terminated for misconduct, the indemnity may be paid at the discretion of the executive head at the rate of one month's net salary for each year of service up to the maximum of 9 months;
- (f) A staff member whose fixed-term appointment is terminated during the first 5 years of his service should be paid an indemnity of one week's net salary for each month remaining until the end of his appointment, subject to a minimum of six weeks;
- (g) A staff member whose fixed-term appointment is terminated for any of the reasons stated in paragraph (b) above, or not extended, after he has served more than 5 years, should be paid an indemnity of one and a half months of net salary for each year of service between 6 and 15 years and thereafter one month's net salary for each year of service, up to the maximum of 18 months, subject to the same conditions as in paragraph (a) above;
- (h) If a fixed-term appointment is terminated for unsatisfactory service, the rate of indemnity set out in paragraph (g) above should be applied up to the maximum of 9 months;
- (i) The rate set out in paragraph (g) above is also applicable, at the discretion of the executive head, in cases of termination of a fixed-term appointment for misconduct;
- (j) No indemnity is payable in the case of summary dismissal, abandonment of post or retirement.

Dissenting view on termination indemnities

341. The five members whose dissenting view is set out in paragraph 338 above, consider that it is essential to see as a whole the four provisions for benefits on separation from the service, besides pensions: i.e. repatriation grant, commutation of accrued annual leave, termination indemnity and a grant in the case of fatality. The latter is not relevant in relation to the present question, but the others comprise a total package, although each one has its own basis for payment. Nevertheless, the adequacy or otherwise of any one benefit has to be seen in toto. The existing maximum rates allow 28 weeks of net salary as repatriation grant, the right to commute payment of 60 days of accrued annual leave, and 9 months for termination grant. Even if termination

indemnities are not payable for voluntary retirement, the total of three maximum rates amounts to more than 18 months of net base pay, payable in a lump sum. As the average net salary of Professional staff is about \$16,000, the total benefits in money terms represent a considerable sum.

342. In their view, quite apart from the lack of justification for such a substantial increase, there is a real danger that such generous termination benefits can in themselves become so financially attractive that employees desiring to leave voluntarily may even be tempted to seek ways and means to justify the payment of the extra amount of the termination indemnity, if it stands, as now recommended, at 18 months salary.

343. The table below gives their rationalization of the revised termination benefit covering payment of 12 months pay instead of the existing 9 months. It corrects what some of them felt was discrimination against "fixed-term" staff in the existing proposal:

<u>Compensation in months of pay</u>		
<u>Years of service</u>	<u>Fixed-term official</u>	<u>Permanent official</u>
5	-	-
6	1½	3
7	3	4
8	4½	5
9	6	6
10	7	7
11	8	8
12	9	9
13	10	10
14	11	11
15	12	12

Other allowances

344. Language allowance for General Service staff. A language allowance is payable to staff who demonstrate, by passing an examination, proficiency in two official or approved languages (one of which may be the mother tongue). The allowance at each duty station is set at a level of 5 per cent of Step I of the net scale of a bilingual secretary at the duty station (e.g. G-5 at Geneva, G-4 at New York).
345. The amount of the allowance is increased when the relevant local base salary scale has increased by 15 per cent. An additional allowance - equal to 50 per cent of the first allowance - is payable to those staff who demonstrate proficiency in a third official or approved language; no allowance is paid for knowledge of a fourth language. Information on the amount of the allowance at the seven headquarters duty stations, and the number of staff receiving it, is given in table 13 of annex V.
346. In Rome, the Italian language is considered an approved language for the purposes of payment of a language allowance. For example, a staff member possessing knowledge of English and Italian would receive a language allowance. A proposal was submitted to us to extend this practice to other duty stations, that is, for the purposes of determining entitlements to the language allowance the recognized language of the duty station should be considered on the same basis as the official languages.
347. We recommend that the practice of paying an allowance for knowledge of a language other than an official language of the organization concerned should be discontinued. We also recommend that the amount of the allowance should be revised when the salary scale has increased by 10 per cent and should continue to be set at a level representing 5 per cent of step I of the net scale for a bilingual secretary at the duty station.
348. Language incentives for staff in the professional and higher categories. In Resolution 2480(B)(XXIII), which was adopted by the General Assembly on 21 December 1968, the Secretary-General of the United Nations was requested to take a number of steps aimed at achieving a better linguistic balance within the United Nations Secretariat. One of these steps - which was implemented as of 1 January 1972 - provides for the reduction of the interval between salary increments from twelve months to ten months (from 24 months to 20 months where the normal incremental period is two years) in the case of staff subject to geographical distribution who have an adequate and confirmed knowledge of a second official language of the United Nations.
349. The General Assembly resolution also provides that, from 1 January 1972, "all promotions from one grade to another, from P-1 to D-2 inclusive, for staff subject to geographical distribution, will be conditional upon adequate and confirmed knowledge of a second language; nevertheless, the Secretary-General may authorize the promotion of the staff members specified above who do not fulfil that condition if he deems it necessary for the proper functioning of the Secretariat; the Secretary-General shall indicate what action has been taken in this respect in his annual report to the General Assembly on personnel questions."
350. In the concluding paragraph of the resolution, the Secretary-General is invited to report to the twenty-eighth session of the General Assembly "on the action taken under the present resolution, in order to enable the Assembly to take, if necessary,

whatever steps it may deem appropriate ... it being understood that the application of the language bonus established by the Assembly in resolution 2349 B (XXII) remains in suspense pending the decision to be taken by the Assembly at its twenty-eight session."

351. We are aware of the importance the General Assembly attaches to the question of achieving linguistic balance in the Secretariat and the attention it had given to this question in recent years. However, as the General Assembly will be reviewing the effectiveness of the scheme in 1973 and since the possibility of returning to the original proposal that a language bonus should be provided as an incentive to staff to acquire knowledge of a second working language, has not been ruled out, we believe the General Assembly may wish to have our views on the existing language incentive scheme.

352. We feel that there is merit to the claims of the staff that resolution 2480 B (XXIII) contains punitive and discriminatory elements which may affect adversely the recruitment potential of the United Nations, the career prospects of staff and the salary system itself. In our view the decision to appoint or promote an official should be based primarily on his professional qualifications and capabilities. While linguistic knowledge should be one factor considered, it should not be the dominant or controlling factor. As regards the granting of salary increments over shorter intervals to staff possessing knowledge of more than one official language, those whose mother tongue is one of the official languages of the United Nations are placed in an advantageous position vis-à-vis other staff members. Staff members given time off from their normal work to attend language classes to learn a second language are also placed in an advantageous position. Thus, under the new scheme the majority of the Professional staff are in a disadvantageous position in respect of promotion possibilities and qualifying for salary increments at shorter intervals.

353. The fact that the terms of the resolution apply only to the United Nations Secretariat staff who are subject to geographical distribution and that the other organizations have decided not to apply the language incentive schemes means that the salary structure itself, which is a basic feature of the common system, is being distorted: an accelerated rate of progression through the steps of a grade is now possible for some staff members in one organization who would use it if they moved to another organization.

354. We see more merit in the original General Assembly proposal adopted at its twenty-second session, namely, that a language bonus be introduced which would be payable to those Professional staff members who obtained knowledge of a second official language. This practice would be similar to the practice which presently exists for General Service staff.

355. We believe that in granting any benefit to staff members who have demonstrated knowledge of a second official language, the mother tongue of the staff member should in no case be counted as one of the two official languages. Also, language training facilities should be expanded and administrative steps should be taken to assure that every staff member who wishes to attend language classes has the opportunity to do so. Finally, whatever scheme is ultimately decided upon should be applied throughout the common system.

356. Non-resident's allowance. A non-resident's allowance, the amount of which varies according to the duty station, is payable to General Service staff who are recruited outside the area of the duty station, if the local pay scales by themselves are insufficient to attract and retain such staff. In concept the allowance is not intended to meet extra costs incurred by non-residents or to be an expatriation allowance as such. In New York, United Nations staff rules provide that the allowance may be paid not merely to General Service staff recruited from outside the local area, but also to non-local staff who are filling posts which would normally have to be filled by recruitment from outside the area.

357. The rates of the allowance in the seven headquarters duty stations vary from the US dollar equivalent of \$1,079 in Vienna to \$200 in New York to no allowance being payable in Montreal. Except for Paris, the rates are always the same for staff with or without dependants. The allowance is pensionable.

358. We noted that there are great variations within the seven headquarters cities both as regards the amount of the allowance and the number of staff who receive it; for example, in New York there were 1,907 non-Americans employed as General Service staff (64 per cent) and of these only 209 received an allowance of \$200, while at the other extreme was the situation in Rome where FAO had 888 non-Italians employed as General Service staff (40.8 per cent), all of whom received an allowance of approximately \$356. In Geneva 2,435, or 72 per cent, of the General Service staff were not Swiss citizens and of these, 1,216, or approximately 50 per cent received an allowance of approximately \$456. Statistics on the other headquarters cities and on the practices of each organization in respect to the allowance are given in annex V.

359. We found it difficult to correlate the purposes of the allowance, i.e. to compensate for insufficient salary scales in a given locality to recruit staff from outside the country of that duty station, with the amounts of the allowance as established at the different duty stations. In Paris, where the salary scales are higher than those existing in any of the other duty stations in Europe (in fact, higher than the scales in New York), the amount of the allowance was greater than the rates established in Rome, Geneva and London (approximately \$881 for staff with dependants and \$632 for staff without dependants). The allowance in Paris is from 3 to 4.5 times higher than the rate in New York despite the fact that the maximum General Service salary under the Paris scales is greater than the New York maximum. Thus, it is difficult for us to see any correlation between the level of salaries and the amount of allowance enforced.

360. In view of the striking variations in the practices of the organization in respect of both the amounts of the allowance and the definitions of a non-resident for purposes of determining entitlements to it, we recommend that the amount of the allowance in relation to the purpose for which it was established should be studied by the proposed Intergovernmental Civil Service Commission. Specifically, the study should cover (i) the marked variations in the amount of the allowance between the headquarters duty stations; (ii) the persistently high level of the allowance at some duty stations despite the rise in salaries in recent years; and (iii) the definition of "non-resident" for the purpose of the allowance.

361. Annual leave. Except in ICAO where General Service staff have lower entitlements based on best prevailing practices in Montreal, all staff at all levels are entitled

to 30 working days annual leave a year, subject to the exigencies of service. Untaken leave may be accumulated, but not more than 60 working days may be carried forward from one year to the next.

362. We take the position that divergencies in personnel practices among the organizations in the common system should be avoided. Accordingly, we believe that ICAO notwithstanding some obvious merits in its present policy, should accept the granting of 30 days annual leave per year for all staff as a common system practice and adopt it.

363. Home leave. Internationally recruited staff may be granted home leave once in every two years of continuous service outside their home country, the organization paying the return fare travel costs of the staff member and his family between the duty station and the home country. The mode of travel, standard of accommodations, and travel time provisions are those set out in paragraphs 369 and 370 below. Among the divergencies in the common system which came to our attention, two refer to home leave:

(i) FAO follows a policy of granting home leave on an 18-month cycle to staff serving in difficult duty stations;

(ii) For purposes of home leave, ILO allows travel time up to 30 days in addition to annual leave by an approved route and means of transport;

(iii) One feature of the home leave provisions in all organizations, which seems to us to be out of date, is that the wife of a male staff member is automatically entitled to official travel with her husband, but the same entitlement is not granted to a husband of a married female staff member unless he is a dependant as defined in the staff rules.

364. We make the following recommendations:

(i) The two-year home leave cycle should be applied to all staff irrespective of the nature of the conditions prevailing at the various duty stations. The practice followed by FAO of granting such leave at the end of eighteen months in "difficult" duty stations should therefore be discontinued.

(ii) The time allowed for official travel on home leave, whether by air or by surface means of transportation, should be determined on the basis of the air travel time required to go from the duty station to the staff member's home country. The practice of granting up to 30 days' travel time, which is still allowed in ILO, should accordingly be discontinued.

(iii) Notwithstanding the definition of a dependent spouse for other purposes, a staff member entitled to home leave should be granted travel expenses in respect of his or her spouse in the same manner as is now done when he travels on appointments, transfer or separation.

365. Installation grant. The purpose of the installation allowance is to cover the costs of temporary lodgings and other non-recurring expenditures in the initial period after arrival at a duty station. Staff members for whom the organizations pay travel expenses on appointment or transfer are entitled to the allowance which consists of:

- (a) for staff with dependants - 30 days subsistence allowance at the full rate applicable to the area for the staff member and at half rate for each dependant;
- (b) for staff without dependants - 15 days subsistence allowance.

366. For certain field duty stations a lump sum payment of \$600 for staff with dependants and \$300 for those without dependants may be added to the installation allowance. As a general rule, no lump sum is paid to staff to whom furnished housing is made available by a government or by an organization within the installation period.

367. In cities where there are exceptional difficulties about finding permanent living accommodation the installation period may be extended to a maximum of 75 days and 60 days for staff with and without dependants respectively. However, the rate of subsistence payment is reduced to 75 per cent of the normal entitlement if the staff member has received a lump sum payment. Inclusion of a country or city in the list of places where a lump sum payment and/or an extension of the installation period may be granted is subject to inter-organization agreement. In reaching such agreements, the organizations are assisted by information on the area provided by the UNDP resident representative or a designated field certifying official.

368. In the absence of adequate information on the conditions existing at various duty stations to make a judgement on the practices described in paragraphs 363 and 364, we recommend that the installation grant provisions should be reviewed by the proposed Intergovernment Civil Service Commission.

369. Mode and standard of travel. Air travel is considered the normal mode for travel on official business and is used as the standard for determining staff entitlements in respect of travel time, rest periods, and cost reimbursements. Staff members at or above the D-2 level are normally provided with first class accommodation and other staff members with economy class accommodation.

370. Under the rules or regulations of most, if not all, organizations (including the United Nations) the executive head may authorize travel by sea. In the United Nations, when the approved travel for home leave is by sea, the staff member is entitled to cabin-class accommodation or its equivalent.

371. We accept the view that modern air travel is no longer as slow and uncomfortable as it was when first class travel by air was first introduced. Many more national governments now require their senior officials to travel by economy class. The difference in cost has risen so that first class fares are now appreciably higher than economy class.

372. We recommend that:

(i) The standard of accommodation for travel by air on official business should be economy class. The executive head of an organization and such senior officials accompanying him as he may designate should be provided with first class accommodation.

(ii) While the normal mode of official travel should be by air, the executive head of an organization may authorize travel by sea on appointment, transfer, home leave and separation, provided that the allowable travel time is limited to the time required for travel by air.

373. Repatriation grant. On separation from the service, staff members who have an entitlement to repatriation at the expense of the Organization are paid a repatriation grant, unless they have been summarily dismissed. The amount of the grant is proportionate to the number of years of continuous service away from the home country, ranging for a staff member with dependants from 4 weeks of net base pay for one year of service to a maximum of 28 weeks pay for 12 or more years of service (see table in paragraph 68 of document A/AC.150/4). The rates for a staff member without dependants are one-half those payable to a staff member with dependants.

374. When an expatriate official is posted to his home country, his accrued repatriation grant entitlement is reduced at the rate of one year for each 6 months' service in the home country; on reposting abroad the lost entitlement is restored at the same rate.

375. The higher rates of repatriation grant are paid to all married male staff members, while the higher rates are paid to married women staff members only if they have dependants as defined in the Staff Rules.

376. We were divided on the question of the amount of the repatriation grant and rules governing entitlements to it. Some felt the grant should be reduced by half and even to eight weeks while others felt that this could not be considered in isolation of decisions to be taken on the re-establishment of an expatriation allowance. They noted that the repatriation grant was introduced when the expatriation allowance was abolished in 1950. In the end, we have agreed to recommend that the provisions of the grant should be reviewed by the proposed Intergovernmental Civil Service Commission.

APPENDIX A

Table 1

CHILDREN ATTRACTING EDUCATION GRANT (1970)

A. Primary and secondary schools

Organization	Headquarters staff ^a				Reg. office and field staff				All staff reported			
	In country of duty station	In home country	In third country	Total	In country of duty station	In home country	In third country	Total	In country of duty station	In home country	In third country	Total
United Nations												
Headquarters Geneva	499 (518)	123 (209)	54 (48)	676 (775)	195	94	36	325	694	217	90	1,001
UNICEF	266	79	14	359	25	3	0	28	291	82	14	387
ILO	138	27	19	184	93	52	3	148	231	79	22	332
FAO									135	12	5	152
UNESCO									118	48	16	182
ICAO									136	59	62	257
WHO									(1,605)	(497)	(209)	(2,311)
ITU									276	126	44	446
IAEA									103	12	8	123
IMCO									770	442	94	1,306
GATT									1,750	712	202	2,664
UNRWA									808	524	93	1,425
Totals												
UNDP	52	22	15	89	224	104	29	357	276	126	44	446
UNICEF	19	0	1	20	84	12	7	103	103	12	8	123
ILO	334 (267)	82 (105)	33 (25)	449 (397)	436	360	61	857	770	442	94	1,306
FAO	701 (475)	154 (81)	77 (35)	932 (591)	1,049	558	125	1,732	1,750	712	202	2,664
UNESCO	199 (121)	85 (38)	25 (16)	307 (165)	609	441	68	1,118	808	524	93	1,425
ICAO	49	12	0	61	102	62	4	168	151	74	4	229
WHO	22 (11)	7 (4)	1 (0)	30 (15)	6	8	0	14	28	15	1	44
ITU	302 (277)	47 (107)	16 (10)	365 (394)	646	406	145	1,197	948	453	161	1,562
WHO	75 (54)	27 (24)	7 (6)	109 (84)	80	52	11	143	155	79	18	252
IAEA	46	6	1	53	30	25	7	62	76	51	8	115
IMCO	216 (137)	42 (50)	7 (9)	265 (196)	4	3	0	7	220	45	7	272
GATT	27 (5)	9 (4)	2 (0)	38 (9)					27	9	2	38
UNRWA	56	18	4	78 (4)	1	3	0	4	57	21	4	82
UNRWA	24	13	1	38 (4)	5	14	2	2	29	27	3	59
Totals									7,005	3,067	858	10,928

a/ For purposes of comparison, available figures for 1966 are shown in brackets, United Nations figures then included UNDP.
 b/ Headquarters/field staff breakdown not available.
 c/ Including WFP. Estimate based on a 10 per cent sample of eligible staff.
 d/ A few children of technical assistance staff not included.
 e/ Has no field programme.

B. Universities

Organization	Headquarters staff ^{a/}		Reg. office and field staff		All staff reported		
	In home country	In third country	In home country	In third country	In home country	In third country	Total
United Nations							
Headquarters	21 (33)	24 (17)	6	7	27	31	58
Geneva	35	4	2	0	37	4	41
UNIDO	9	3	21	4	30	7	37
ECIA b/					3	1	4
ECAFE b/					29	10	39
ECA b/					5	10	15
Total					(131)	(63)	(194)
UNDP	5	3	16	14	21	17	38
UNICEF	3	0	11	6	14	6	20
ILO b/	(25)	(12)			91	38	129
FAO b/, c/	(31)	(10)			250	19	269
UNESCO	37	14	97	11	134	25	159
ICAO d/	8	0	17	3	25	3	28
UPU	1	1	1	0	2	1	3
WHO	37	16	66	50	103	66	169
ITU	12	3	13	4	25	7	32
WMO b/					7	0	7
IAEA b/, e/	(13)	(6)			14	6	20
IMCO f/	3	0	3	0	3	0	3
GATT					5	5	10
UNRWA					2	1	3
Totals					827	257	1,084

a/ For purposes of comparison, available figures for 1966 are shown in brackets, United Nations figures include UNDP.

b/ Headquarters/field staff breakdown not available.

c/ Including WFP. Estimate based on a 10 per cent sample of eligible staff.

d/ Breakdown is between headquarters/regional office staff, on the one hand, and field staff, on the other.

e/ A few children of technical assistance staff not included.

f/ Has no field programme.

TABLE 2
EDUCATION COSTS (1970)
A. By cost groups

Organization	Primary and secondary schools										Universities									
	Under \$500	\$501 -900	\$901 -1,333	\$1,334 -1,600	\$1,601 -2,000	\$2,001 -3,000	Over \$3,000	Incl. \$500 boarding	Total reptd.	Under \$500	\$501 -900	\$901 -1,333	\$1,334 -1,600	\$1,601 -2,000	\$2,001 -3,000	Over \$3,000	Incl. \$500 boarding	Total reptd.		
United Nations Headquarters a/	196	231	270	197	95	11	1	---	1,001	0	10	18	21	5	2	---	---	58		
Geneva a/	89	145	115	24	9	3	2	---	387	4	17	7	4	0	5	---	---	41		
UNIDO a/	143	105	72	5	6	3	0	---	334	9	11	6	3	2	2	---	---	35		
ECOA a/	2	22	106	11	9	1	1	---	152	0	1	1	0	0	2	---	---	4		
ECAFE a/ b/	26	23	6	0	4	0	0	---	64	11	18	1	3	2	1	---	---	40		
ESA a/	11	139	63	18	20	6	0	---	257	0	7	4	2	0	2	---	---	15		
Total	(467)	(570)	(632)	(255)	(143)	(24)	(4)	---	(2,195)	(24)	(64)	(37)	(33)	(9)	(12)	(14)	---	(193)		
UNDP	121	132	112	36	31	12	2	(70)	446	1	6	9	7	5	7	(23)	(23)	38		
UNICEF a/	2	26	35	19	21	0	15	(317)	118	0	6	4	4	1	4	---	---	20		
ILO	565	490	179	45	21	15	5	---	1,320	24	86	21	4	2	4	(95)	(95)	142		
FAO a/ c/	333	913	596	202	10	10	0	(375)	2,664	0	183	38	19	0	0	---	---	269		
UNESCO d/	714	466	103	73	52	15	2	---	1,425	18	96	19	17	2	4	(127)	(127)	159		
ICAO e/	118	65	33	8	2	3	0	(13)	229	6	1	9	3	3	1	(1)	(1)	3		
UPTU	14	18	9	1	0	2	0	(289)	44	0	1	2	0	0	0	---	---	3		
WHO	574	593	297	60	23	13	2	(48)	1,562	6	107	34	8	2	6	(103)	(103)	169		
IYU	98	86	53	9	3	3	0	(12)	252	0	21	5	3	2	0	---	---	32		
WHO	44	43	22	2	1	3	0	---	115	0	4	0	1	1	0	---	---	7		
IABEA a/	98	78	86	5	4	1	0	---	272	0	8	3	2	3	3	(5)	(5)	20		
INCO f/	9	12	6	2	0	0	0	(18)	83	0	0	0	0	0	0	---	---	1		
GATF	20	41	16	2	4	0	0	---	27	0	0	0	0	0	0	---	---	1		
UNRWA	21	15	19	2	1	1	0	---	59	0	0	1	0	1	0	---	---	10		
Totals	3,798	3,648	2,198	719	316	102	30	---	10,811	79	590	183	103	32	42	64	---	1,093		

a/ Costs include boarding, estimated at \$700 per year.

b/ Includes only children at schools in home country or third country.

c/ Including WFP. Estimate based on 10 per cent sample of eligible staff.

d/ Estimate based on 15 per cent sample of Headquarters staff claims and 100 per cent of field staff claims.

e/ Does not apply \$500 boarding costs rule; these costs reimbursable at 75 per cent of actual costs within over-all \$1,000 maximum grant. Cost figures shown include reported boarding costs.

f/ 1970 grant paid under rule, now modified, providing for a flat \$1,000 grant for school attendance in countries other than the duty station. Figures therefore include only children at schools in the country of the duty station and, accordingly, exclude university students.

B. By type of school - all staff

Organization	Type of school											Total claims	
	Primary/Secondary						University						
	\$1,333 or less		Over \$1,333		Total		\$1,333 or less		Over \$1,333		Total		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.		%
United Nations	697	69.7	304	30.3	1 001	94.5	28	48.3	30	51.7	58	5.5	1 059
UNDP	365	81.8	81	19.2	446	92.1	16	42.1	22	57.9	38	7.9	484
ILO	1 234	93.5	86	6.5	1 320	90.3	131	92.3	11	6.7	142	9.7	1 462
FAO ^{a/}	2 442	91.7	222	8.3	2 664	90.8	221	82.5	48	17.5	269	9.1	2 933
UNESCO ^{b/}	1 283	90.0	142	10.0	1 425	90.0	133	83.6	26	17.4	159	10.0	1 584
ICAO	216	94.3	13	5.7	229	89.1	18	64.3	10	35.7	28	10.9	257
UPU	41	93.2	3	6.8	44	93.6	3	100	0	0	3	6.4	47
WHO	1 464	94.2	98	5.8	1 562	90.3	147	87.0	22	13.0	169	9.7	1 731
ITU	237	94.4	15	5.6	252	88.4	26	81.3	6	18.7	32	11.6	284
WMO	109	94.8	6	5.2	115	94.3	4	57.1	3	42.9	7	5.7	122
IAEA	262	96.3	10	3.7	272	93.1	11	55	9	45	20	6.9	292
IMCO ^{c/}	27	100	0	0	27	100	-	-	-	-	-	-	27
UNOG	349	90.2	38	9.8	387	90.4	28	68.3	13	31.7	41	9.6	428
UNIDO	320	95.8	14	4.2	334	90.5	26	74.3	9	25.7	35	9.5	369
ECLA	130	85.5	22	14.5	152	97.4	2	50	2	50	4	2.6	156
ECAFE	60	93.8	4	6.2	64	60.6	30	75	10	25	40	39.4	104
ECA	213	82.9	44	17.1	257	94.5	11	73.3	4	26.7	15	5.5	272
UNICEF	63	53.4	55	46.6	118	85.5	10	50	10	50	20	53.4	138
GATT	77	92.8	6	7.3	83		6	60	4	40	10		93
UNRWA	55	93.2	4	6.8	59	95.2	1	33.3	2	66.7	3	4.8	62
Totals	9 644	89.2	1 167	10.8	10 811	90.8	852	77.9	241	22.1	1 093	9.2	11 904

a/ Including WFP. Estimate based on a 10 per cent sample of eligible staff.

b/ Estimate based on a 15 per cent sample of Headquarters staff claims and 100 per cent of field staff claims.

c/ Grant paid under earlier rule (now changed) under which the amount of grant for school attendance outside the United Kingdom was a flat \$1,000. Figures therefore include only students at schools in the country of the duty station and, accordingly, exclude university students.

Table 3

TUITION FEES AT SELECTED DAY SCHOOLS
IN HEADQUARTERS CITIES

<u>School</u>	<u>City</u>	<u>1964/1965</u>	<u>1970/1971</u>	<u>1971/1972</u>
International School	New York	\$ 800-1,250	\$ 1,050-1,650	\$ 1,200-1,800
Lycée français	New York	750-1,075	1,000-1,600	1,200-1,800
International School	Geneva	420-800	690-1,050	1,050-1,450
Collège du Léman	Geneva	530-930 ^{a/}	690-1,130	1,010-1,520
American School	Paris	640-895	not available	1,350-1,660
St. George's School	Rome	800	Av. 1,160	1,275
Overseas School	Rome	620-740	1,250-1,360	Av. 1,420

a/ Refer to 1965/1966.

Appendix B

Separate opinion submitted by Mr. Zakaria Bello

Mr. Zakaria Bello (Nigeria) submitted the following opinion for inclusion at the end of this Chapter:

I entirely dissociate myself from the attempt by a number of other representatives on the Committee to link certain allowances to the cost of living changes. I am of the opinion that all allowances are fringe benefits granted by the General Assembly at its absolute discretion and should therefore be prescribed on flat rate basis as at present. Any attempt to alter this to the abnormal percentage formula, as the post adjustment is to base salaries, will result in the rapid increase of the allowances since they must go up every time salaries are increased on the grounds of rise in cost of living in a locality. This will in turn mean colossal increase of the Budget which is already at its full capacity and corresponding increases in States Members annual contributions. I humbly submit therefore that all allowances should remain as flat rates and that consideration may be given for increasing some of them only when the General Assembly is prepared to consider a general revision of salaries - possibly once every four or five years.

Chapter VI

RETIREMENT, PENSIONS AND THE UNITED NATIONS JOINT STAFF PENSION FUND

377. We have examined the following aspects of the United Nations pension arrangements: (a) the age of retirement, (b) the level of pensionable pay, and (c) pensions and social security coverage. A fourth aspect, the United Nations Joint Staff Pension Fund, was also examined though many members felt that it was not within the scope of our mandate.

378. Some members believe, however, that the following information may be of interest to the General Assembly:

(a) The system of United Nations organizations has a Pension Fund to provide staff with pensions, death and disability benefits and benefits on the termination of employment with the United Nations. Under the terms of section 13 of annex 1 to General Assembly resolution 82 (I) of 15 December 1946, entitled "Provisional Scheme for Staff Retirement and Insurance Funds and Related Benefits", "The Pension Fund shall be the property of the United Nations, shall be administered separately from the other assets of the United Nations, and shall be used solely for the purposes provided for in these regulations."

(b) All but one (UPU) of the organizations in the common system are members of the Fund.

(c) These organizations administer the Fund through the Joint Staff Pension Board (twenty-one members), one-third of whom are elected by the General Assembly of the United Nations and the corresponding bodies of the other international organizations, one-third are appointed by the Executive Heads of the organizations and one-third are elected by the participants. Between sessions of the Board its functions are performed by a Standing Committee appointed by the Board.

(d) The assets of the Fund consist of:

- (i) contributions from the organizations enumerated above;
- (ii) contributions by staff members of these organizations;

(iii) income from the investment of the assets of the Fund.

(e) According to the data supplied to the Special Committee, the receipts of the Joint Pension Fund over the past five fiscal years (1 October 1965 to 30 September 1970) amounted to US \$299.2 million, namely:

contributions by organizations:	\$160.4 million
contributions by staff members:	\$ 80.2 million
income from investments:	\$ 58.6 million.

Payments by the Fund during the same period amounted to \$56.7 million, and consequently were fully covered by the income from investments (data taken from document A/AC.150/CRP.25, July 1971).

(f) During the last fiscal period, ending on 30 September 1970, receipts exceeded expenditure by \$73.2 million, and the Fund's assets amounted to \$505.5 million, since which time the assets have further increased.

Age of retirement

379. The age of retirement, like the level of pensionable pay, is regulated not by the United Nations Joint Staff Pension Fund but by the organizations themselves, through their staff regulations and rules. In all the member organizations of the Fund, except FAO, it is fixed at age 60, with a discretion left to the executive head to retain staff in service beyond that age, usually "in the interest of the organization". In FAO, the age of retirement is 62 years for regular staff and 65 years for staff engaged on technical co-operation projects. Certain staff members of ITU have acquired rights to a retiring age of 65. Thus, retirement benefits under the Pension Fund become payable at age 60, or at whatever later age the official actually retires. The level of the retirement benefit is determined by the number of years of credited service and the level of pensionable remuneration. Under the present provisions, it is 2 per cent of a staff member's average pensionable remuneration over the best three of the last five years of his credited service for each year up to a maximum of 30 years, i.e. the maximum pension is 60 per cent of pensionable remuneration which consists of gross salary and, in the case of General Service staff, certain allowances referred to in paragraph 389.

380. As already indicated in paragraph 20 of chapter I, as of 31 August 1971 there were 2.9 per cent of the Professional and higher level staff at age 60 and over. The corresponding figure for the General Service staff in the headquarters duty stations was 0.9 per cent. With the exception of UPU, which is not a member of the United Nations Joint Staff Pension Fund and has a retiring age of 65, the percentage of staff above the normal retiring age varies little from one organization to another.

381. The question of the age of retirement has recently been linked with that of early retirement, not only because of its effect on the pension an official receives, but as a matter of good personnel policy in encouraging early retirement in suitable cases. In 1971 the Joint Staff Pension Board, following an earlier proposal by ICSAB, decided

to recommend to the General Assembly that an official with 25 years of credited service who wished to retire before the age of 60 should be enabled to do so with a 2 per cent reduction (instead of 6 per cent as formerly) in his earned pension for each year before 60.

382. In making this recommendation the Board was conscious of the financial implications for the Fund of early retirement, particularly since the relatively low requirement age in the organizations, and the relatively high average age of entry, markedly increased its costs and restricted the level and range of benefits that could be provided. It was the estimate of the Board's Committee of Actuaries that for every year above 60 by which the average age of retirement was increased a disposable surplus of about \$60 million would be created in the Fund; such surpluses, if available, would help to finance the increased commitments which would arise by lowering the reduction factor for early retirements from 6 per cent to 2 per cent. The measure recommended by the Board amounted to a commitment of some \$15.5 million of the Fund's resources, and in order to offset this the executive heads gave a limited undertaking that they would in future, in all appropriate cases, extend the application of their discretion under the staff regulations in such a manner that some increase might be expected to result in the average retirement age. The General Assembly by resolution 2887 (XXVI), adopted the Board's recommendation.

383. The Assembly's action implies a recognition both of the principle of a flexible retirement age and of the interdependence of personnel and pension policies. It may now be expected that some officials will now be able to leave the service before the age of 60 and others will be retained after the age of 60 to a greater extent than heretofore. In the light of this development we have considered two specific issues arising out of the existing statutory provisions in the organizations:

(a) whether the retirement age of 60 years should be maintained or modified;

(b) in the event that it is maintained, whether any action should be recommended to bring about uniformity within the common system.

384. On the first point we believe that the present regulation governing retirement remains valid, and that the retirement age of 60 should be maintained for all organizations. The majority also consider that yearly extensions, at the option of the employee, may be granted in cases where the value of the employee's services has been clearly established, but not beyond two. Extensions beyond age 62 should require the personal approval of the executive head to ensure that promotions of younger staff are not blocked and that the work of the organization clearly requires the extension. The majority also believe that early retirements should be encouraged and in cases where an employee is no longer capable of productive work, that it be made mandatory, at the option of the organization, provided that an employee has attained age 55 and has had 25 years of service. Some members felt strongly that it was not healthy for any organization to have more than 70 per cent of its professional and higher level staff over 40, with only 4.6 per cent under 30 and that this is untenable in a world organization charged with grave responsibilities in a dramatically changing world. They, therefore, urged much stronger measures to redress the age balance by means of more mandatory retirements, following an annual assessment of the capacity to perform effectively of personnel over 55 with 25 years of service.

385. Mr. Hillis, Mr. Hull, Mr. Mariko, Mr. McGough and Mr. Milliez dissent from this view. They are prepared to agree that the retirement age should remain at 60, though they believe that there are valid considerations for some modification in practice. But they believe that the remainder of this recommendation is unduly restrictive of the discretionary powers of the executive heads, and run counter to the policy implicit in resolution 2887 (XXVI) and to the undertaking given to the Fund by the executive heads to liberalize the application of their discretion to retain in suitable cases beyond 60 as the counterpart to the improvement in pension terms now made available to those retiring before 60. The effects on the finances of the Fund, if retention beyond 60 is to be restricted while retirement before 60 is to be encouraged, are too serious to be ignored. In the opinion of these members, the practice as regards retirement should be sufficiently flexible to allow for the individual variations between one official and another and to ensure that organizations can retain the services of the experienced staff member who is still at the height of his powers while permitting the retirement of those who, for one reason or another, have come to the end of their useful career before the age of 60.

386. As to the second point, to which we refer also in chapter II (paragraphs 115 and 117), we consider that the age at which a staff member normally retires is one of the fundamental conditions of service that ought to be applied generally. The span of an expected career is an important consideration for anyone who contemplates joining a service and should therefore not be a source of competition between organizations that are bound by agreement to avoid such competition. As noted in chapter II, this is one of the discrepancies in the regulations that we had in mind when we proposed that the future civil service commission should be entrusted with the task of establishing a single statutory framework for the common system.

387. A related matter which came to our attention is the practice of organizations to employ for short terms former staff members in receipt of retirement benefits from the Pension Fund and to pay them the full salary rate without deducting the retirement benefit. We believe that this practice is unjustified and recommend that it should be discontinued.

Pensionable pay

388. A staff member's earnings, specifically those reckoned for pension purposes, and his length of credited service ultimately determine the level of his pension benefits. The pensionable pay, or pensionable remuneration as referred to in the regulations, is therefore an essential element of total compensation; it constitutes the major part of the staff member's current emoluments and determines the amount of pension he will be receiving when he becomes disabled or retires and the amount of pension payable to his survivors.

389. The regulations of the Fund define pensionable remuneration as that part of a staff member's total emoluments from his employing organization that is pensionable under the terms of his appointment. It normally consists of gross salary and any language allowance or non-resident's allowance paid to staff in the General Service category. It does not include dependency or any other allowances or post adjustment paid to staff

in the Professional and higher categories. Pensionable remuneration, accordingly, is that part of a staff member's emoluments from which an amount of 7 per cent is deducted monthly as his contribution to the Fund, and the part in respect of which a corresponding 14 per cent contribution is paid to the Fund on his behalf by the organization. Where total service turns out to be less than five years, half of this 14 per cent is returned to the organization, while the residual 7 per cent is retained and utilized by the Fund.

390. The latest information received by the Committee related to the year ended 30 September 1970. The organizations' contributions on behalf of their staff members amounted to \$45,836,626.06, and those of staff members to \$22,918,313.03. The refunds to the organizations in respect of persons who had withdrawn after less than five years of service totalled \$2,222,775.16; a similar sum was laid out by the Fund to meet all obligations towards the participants. It should be noted that the Fund does not keep separate accounts for expenditures against each item of its receipts (i.e. contributions by the organizations, contributions by the participants and dividends from investments).

391. Some members of the Committee noted that the receipts of the Joint Staff Pension Fund are considerably in excess of current and foreseeable disbursements. The Fund's principal now stands at approximately \$650 million. They believe that the contribution to the Pension Fund of 14 per cent of salaries paid out of the budgets of the organizations of the United Nations system is excessive and that the retention in the Fund of 7 per cent out of the 14 per cent contribution for staff members with less than five years service in the United Nations system is not fully justified. In this connexion, the opinion was expressed that the excessive contributions from the budgets of the organizations to the Pension Fund and the unjustified retention of the 7 per cent in question may provide grounds for member States to review the amount of their contributions in the direction of a corresponding reduction.

392. As regards the level of benefits for the same year, we were given the following averages for each of the two categories, the first figure being for professional staff and the second for general service staff:

Retirement benefit	- \$ 3,600 and \$ 1,990;
Disability benefit	- \$ 3,795 and \$ 1,802;
Surviving spouse's benefit	- \$ 2,161 and \$ 814;
Children's benefit	- \$ 600 and \$ 476;
Secondary dependant's benefit	- \$ 1,789 and \$ 1,077; and
Deferred retirement benefit	- \$ 1,939 and \$ 742.

393. From our discussion of the principles and methods for establishing the salaries of staff in the two main categories, it is clear that pensionable remuneration represents one proportion of the same total emoluments for a Professional staff member and quite another for a General Service staff member working in the same duty station. This is because the basic emoluments, meaning the portion of pay that is applied generally, of a Professional staff member comprise both salary and post adjustment, but only salary is pensionable. In the case of a General Service staff member, however, not only his

basic pay (salary) is pensionable but two of his allowances, i.e. language allowance and non-resident's allowance (when entitled). However, for Professional staff the 1960 Pension Review Group, which was established by the General Assembly to undertake a comprehensive review of the pension scheme, recommended a method, which was approved by the General Assembly, of adjusting pensionable remuneration between revisions of the salary scales. Under this method, a notional 5 per cent is added to pensionable remuneration whenever the weighted average of the post adjustments paid at the main duty stations moves upwards by that amount. Since it was introduced in 1961, such an increase has been applied for three brief periods. Each period ended when the salary scales were revised by incorporating classes of post adjustment and providing for an increase in real income. Another increase is due on 1 July 1972, when the requirement of a 5 per cent variation from the weighted average of post adjustments as of the last revision of the salary scales will have been met. Thus, the professional staff have a built-in system of incorporating post adjustments when this is justified. In this context we particularly noted that the recent change in the system of calculating pensions on net salary to using gross salary as the base contributed substantially to increasing staff pensions.

394. The salary system for staff in the Professional and higher categories provides a maximum pension after 30 years of 60 per cent of gross salary. We found that the United States maximum is 80 per cent after 42 years service, although very few United States employees attain this maximum. Most members thought it significant that the salaries of the highest paying European countries are from one-half to a quarter of United Nations salaries and therefore the resultant United Nations pension is substantially higher than any percentage of such lower salaries. Other members considered sufficient data was not available to arrive at this conclusion.

395. In their proposals to us, the executive heads cited the lower pensions obtainable in the United Nations common system as one of the reasons for establishing a margin in United Nations remuneration over that of the United States. They noted in that connexion that the lower pensions were partly due to the lower retiring age and partly to the lower limit on the number of years of credited service. A similar point was made by FIGSA, which also suggested that, without changing the normal retirement age, individual staff members whose performance was satisfactory should be able to continue in service beyond that age. Most members noted, however, several elements of the United Nations pension scheme that appear to be superior to the United States system, and concluded that present pension provisions of the United Nations system were generous and did not contribute to any basis for establishing a margin in remuneration over the United States, and that there was no need to recommend any changes in the present system of assessing pensions. Other members held that on this also there was insufficient data, and one member considered that this should have first been discussed with the executive heads.

396. We are conscious of the significance of the pensionable element in the total remuneration of all Professional and higher level staff, both for those who have chosen the international civil service as a lifetime career and for those who are associated with it for varying periods. In either case, it is essential, we believe, that the international organizations should provide an adequate scheme of social security. It is in this spirit that we examined the view of the executive heads on the subject. They suggested that "within the over-all remuneration, the level of pensionable pay

(in practice, the base scales) and the pension system must be such as to ensure that the independence of staff during service is not affected by anxieties concerning their position after retirement". The conclusion that we have come to, which, in part, is already reflected in the formula we have proposed for determining the basic emoluments (see chapter III, paragraph), is that:

(a) The United Nations gross salary should be such as to represent an adequate basis for computing pension benefits for all staff irrespective of their country of origin or retirement;

(b) In the periods between revisions of the salary scales the existing method of increasing pensionable remuneration by 5 per cent whenever the weighted average of post adjustments varies by that amount from the previous date of increase should be maintained.

Pensions and social security coverage

397. The United Nations pension scheme provides benefits that are more or less proportionate to the period of service a staff member participating in it has spent in the organization. In this respect, it is comparable to national civil service pension schemes. In addition, because of the special circumstances in which members of the international civil service must work, particularly the predominantly expatriate character of the service, the pension scheme incorporates certain elements more typical of a national social security scheme. These include such provisions as minimum benefits for staff members incapacitated for further service, for dependent children and for surviving spouses.

398. The main benefits available to staff members under the scheme are as follows:

(a) A staff member who retires is entitled to a retirement benefit which is 1/50th (2 per cent) of the final average remuneration up to a maximum of 30 years. The theoretical maximum pension is thus 60 per cent of pensionable remuneration, which, as noted above, differs between the two categories. No present staff member can complete 30 years until 1976.

(b) On the death of a retired staff member, his widow, if she was his wife when he retired, is entitled to a widow's benefit amounting to 50 per cent of his retirement benefit.

(c) A staff member who is forced to cease work because of long-term disability is entitled to a disability benefit so long as the disability lasts; after age 55 the disability is assumed to be permanent. The amount of the benefit is equal to 2 per cent of the final average remuneration for each year of service up to the date of leaving the service, subject to a minimum of whichever is less of (i) one third of the final average remuneration or (ii) the retirement benefit the staff member would have received, had he continued to work until age 60 without change in his final average remuneration.

(d) If a staff member dies in service, leaving a widow, she is entitled to a benefit equal to one half of the disability benefit the staff member would have received had he become disabled instead of dying.

(e) Up to one third of a retirement benefit can be commuted to a lump sum based on actuarial tables.

(f) A staff member who leaves the organization before retiring age with less than five years' service receives only his own contributions with interest at 3 1/4 per cent.

(g) If a staff member leaves after five years' service, he has the option of:

- (i) A benefit deferred to age 60 and based on his actual length of service (should he die before age 60 his widow would be entitled to survivor benefits);
- (ii) Withdrawing his own contribution with interest and taking a partial deferred benefit at age 60;
- (iii) A cash settlement consisting of a lump sum equal to his contributions with interest, increased by 10 per cent for each year of service in excess of five, up to a maximum of 100 per cent.

399. The fundamental principle of the equality of staff members underlying the conditions of service generally also applies to the pension arrangements. In line with this principle, the pension scheme was so designed as to provide the comprehensive protection staff members would need to make them independent of the social security system of their own country, where it existed, or to seek alternative arrangements, where it did not. Two developments in the international civil service and outside it, however, have led to a certain lessening of the force of the original concept.

400. First, the international secretariats now employ many staff members for limited periods. Some of these staff members come from national civil services or institutions with well-established pension schemes. On joining the international organization, they expect to return to their previous employer at the end of their leave of absence and are therefore anxious to preserve their employee rights, including those of pension. When the pension scheme of their "permanent" employer is a contributory one, questions often arise as to the most effective arrangements for regular payment of the contribution by and on the account of the employees for the duration of their absence.

401. The solution adopted in 1957, on the recommendation of the Salary Review Committee, under which such temporary staff members were paid a certain sum of money in the form of a "service benefit" related to the length of their service in the international organization, one purpose of which was to enable them to maintain their pension rights at home, proved inadequate and had to be abolished six years later. A new initiative in that respect was taken more recently by the Government of Canada with a view to securing continuity of pension rights for employees of the Canadian public service transferring to a member organization of the United Nations Joint Staff Pension Fund. That led to an agreement with the United Nations, 40/ under article 13 of the regulations

40/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 9 (A/8009), addendum.

of the Fund, which enables a Canadian staff member returning to his Government's service to count as pensionable service the period of his service in an international organization. We believe that agreements of this nature, though limited in scope, will represent a welcome step in the direction of easier movement of staff between national and international civil services to the benefit of both. We therefore recommend that member Governments concerned consider the advisability of concluding similar agreements with the United Nations.

402. Second, the steady progress of national social security schemes, both in scope of coverage and in range of benefits, is reaching increasing numbers of international civil servants. Many of them now come to the international organizations from countries with such schemes and remain covered by them throughout the period of their service wherever they may be assigned. Others have obtained national social security coverage after joining the service of the international organization and earn credits while they remain in their home country. Still others get certain national social security benefits, e.g. health protection, by reason of their residence in the host country of the organization's office where they are serving. The result has been a discernible differentiation between members of the international civil service in regard to current and prospective social security. In addition, because some staff members covered under their national social security schemes are required to pay a percentage of their earnings as a social security tax, they have a different take-home pay than those who have no such coverage. Finally, the fact that in the case of one particular social security scheme a staff member can earn credits only while working in his own country has a deterrent effect on mobility.

403. Though recognizing the problems it has created, we view with favour this trend toward the integration of international civil servants in their national social security systems. Indeed, the more they feel part of their own national development, the greater will be their willingness to place their skills and experience at the service of the international organizations. Interchange of personnel between national and international civil services has not only filled a distinct need in the staffing of the international secretariats, it has also brought about a wider understanding of the work of the international organizations generally. It would clearly serve the interest of both member Governments and the organizations if such interchange were facilitated by extending national social security coverage to all members of the international civil service. Accordingly, we recommend that member Governments that have not yet done so initiate steps towards the integration of international officials in their national social security systems. We further recommend that the issues that have recently arisen from the interlocking of the United Nations pension arrangements and national social security provisions should be studied by the proposed intergovernmental civil service commission.

ANNEX I

Dissenting statement by Mr. Hillis, Mr. Mariko,^{a/} Mr. McGough and Mr. Milliez

1. We regret to be unable, on a number of questions, to concur with the majority of our colleagues. The points on which we individually dissent are stated in the relevant chapters on the main report, but our position in relation to the majority recommendations generally requires to be more fully defined.
2. Before proceeding to examine the majority recommendations, we would wish to make two general observations. The first relates to the work procedures adopted by the Committee. Although a large part of the 1971 sessions was devoted to a series of exchange of views with representatives of the Secretary-General of the United Nations and of the specialized agencies, the 1972 meetings were by contrast held almost exclusively in closed session, with the minimum of contact with administration representatives. As far as we are aware, no previous review body has attempted to come to conclusions on matters which so directly affect the organizations, and their staff, without first testing their validity by means of full and detailed discussions with the agency heads and their representatives, and without having the benefit of the views of the staff. The present Committee was an outside review body appointed by the General Assembly, and its members for the most part came to their task without previous knowledge of the United Nations common system; the need for such consultations with those possessing an expert and intimate knowledge of the system should therefore have been the more apparent and the omission can only, in our view, detract seriously from the authority to be attached to the Committee's conclusions.
3. Secondly, we do not believe that the limited time available for this review was used to best advantage. The Committee, while devoting a number of sessions to matters which in our view were either peripheral or irrelevant to our mandate (such as the financing of the United Nations Joint Staff Pension Fund) left whole areas either untouched - such as the question of field service conditions, or the problems of establishing common grading standards - or only superficially examined, such as the whole range of questions relating to initial recruitment, career progression, in-service training, promotion procedures, etc. - questions which in our view are no less relevant to the central problem of recruiting and retaining staff of the highest quality than is the determination of the base salary scales themselves. Some of this failure to achieve an adequate balance in the report may be attributed to what, in our view, was the excessive preoccupation of the Committee with finding a formula which would bring about a reduction in the level of Professional salaries generally. We hope we are no less conscious than the majority of our colleagues of the need for economy in administration; but on our reading of the resolution we were appointed neither

^{a/} In respect of the proposal to establish an international civil service commission, Mr. Mariko agrees with the majority view as set out in chapter II of the body of the report.

to reduce salaries nor to increase them but to rationalize the present system by eliminating some of the anomalies which have been identified, and subjected to detailed criticism, by previous review bodies. In our view, the formula adopted by the majority (on which we comment in paragraphs 18 and following below) would leave most of the present anomalies untouched, while creating new, and possibly more objectionable, anomalies of a different order.

4. With these preliminary observations, we proceed to examine briefly the various chapters of the majority report.

Chapter I - The International Civil Service

5. We feel that the Committee's analysis of the nature of the international civil service has been inadequate, and that certain points might have been more fully brought out, in order to situate the problem of salary determination more clearly within the framework of the tasks of a contemporary international secretariat.

6. The "exclusively international character" of the responsibilities of the Secretary-General and his staff, and the obligation of Member States not to seek to influence them in the discharge of those responsibilities, are clearly laid down in Article 100 of the Charter of the United Nations. The 1956 Salary Review Committee took this position for granted and proceeded from there to consider the desirability of a common system of salaries and conditions of service. Sixteen years later, the concept of a common system has gained acceptance, but there has been a marked change in the nature of the secretariats which in our view makes it desirable, before conclusions are reached as to the appropriate salary system, to re-examine and restate what should be the role and the basic functions of the international civil service. The change is exemplified by the evolution of the United Nations away from the original concept of a primarily headquarters political organization into one increasingly preoccupied with the problems of economic, scientific and social development, and with nearly half its staff working outside Europe and North America.

7. Among the factors which might, if thoroughly examined, warrant change in the structure of categories and grades - the first question which the General Assembly asked us to examine - are: the growth of the Secretariats, which doubled in the ten years from 1961 to 1970; the increasing degree of specialization and the wide range of specialized skills now required; and the increasing tendency to recruit at a later age (figures supplied by the Joint Staff Pension Board indicate that the average age of recruitment of Professional staff was around 40 and that only 12 per cent of staff were age 35 or under). All this indicates the extent to which the system has moved from the traditional concept of a staff recruited soon after university and spending their whole career in the international service. Clearly a large proportion of the staff have in effect two careers and expect to spend only a part of their working lives in the international service, and this fact has implications for the salary structure, for recruitment policies, and for the pension fund.

8. The staff requirements of the organizations differ so widely that generalizations are unsafe. But two general points might be made at this point. The first is that if the international service is to retain any cohesion at all there must in each

organization be a cadre of long-term career service staff in appropriate posts to provide continuity in administration and a repository of experience. The size of this cadre will vary from organization to organization and may be quite small in those highly specialized agencies where the prime need is for staff to be in continual contact with the developments of their branch of science. The second is the need, emphasized by several of our witnesses, to review the methods of executing their programmes and to integrate United Nations programmes more closely with those of the developing countries; this may in turn involve a change in the relationship between the international and the national civil services, or what one of our witnesses called "a continuing dialogue" in which the international civil servant can participate without sacrificing his independence while being somewhat less aloof than in the past.

The present structure

9. We agree with our colleagues in endorsing the present division into two categories; and though there are good arguments in favour of creating additional categories e.g. for language staff or scientists, we do not think that this question needs to be pursued at present.

10. We regret however that the majority of the Committee should have dismissed the proposal of the executive heads to transfer a limited number of posts from the Professional category to the General Service category, which would be transformed into a Local Service category. This proposal seems to have several merits. It would improve efficiency by permitting the local recruitment of well-qualified persons with knowledge of local conditions and languages; it would ease relations between United Nations officers and the host government; it would provide promotion outlets for suitably qualified General Service staff without diluting the Professional category; it would help to remove the sense of discrimination which (we are told) General Service staff sometimes now feel because their category is limited to inferior types of work; and it would produce budgetary economies.

11. Apparently the objection felt by the majority of the Committee was that the change might reduce the number of posts subject to equitable geographical distribution. We believe this objection to be misconceived. Most of the posts envisaged are servicing posts in such areas as transport, building maintenance, printing etc., in which a knowledge of local conditions is indispensable and could not be filled in practice by international staff, however well qualified, recruited from other areas. In fact, they are for the most part already filled by regional staff; and while under this proposal there might in individual offices be less than full geographical distribution (as indeed there is now) the world-wide totals should continue to show a satisfactory overall position. If desired, moreover, posts in a local service category, above a certain level, might be counted for overall quota purposes. We believe that the proposal merits further study by the appropriate bodies.

Chapter II - The common system

12. The 1956 Salary Review Committee thought that the common system should be retained by those organizations then using it, but stressed the desirability of flexibility as against what it called "cast-iron uniformity". None of our witnesses doubted the need to maintain the common system, though some of them referred to the problems of inter-agency consultation and to the need to modernize the machinery. Most of the executive

heads (with certain necessary reservations) favoured the establishment of an international civil service commission to deal with the many common problems they are faced with in personnel and salary administration.

13. This proposal (which was also favoured, subject to certain conditions, by ICSAB) represents an important milestone in the development of the common system, and we regret that the majority of our colleagues have not felt able to endorse it. Clearly there are many problems to be resolved, including the mode of appointment of the Commissioners and the definition of their functions, before such a body could be set up, and the position of the various legislative bodies would need to be safeguarded. We do not propose to review these in detail now, but the evidence put before us indicated a substantial convergence of opinion in favour of a central body for establishing the detailed regulatory conditions required for the administration of the common system, and for improving the co-ordination and the managerial efficiency of the system; and the fact that most of the executive heads are prepared to contemplate a significant transfer to a commission of their powers in relation to personnel matters indicates that the time is ripe for this further development in the evolution of the common system - a development to which the present Committee might have significantly contributed.

14. Instead, the majority of the Committee preferred the concept of a regulatory body comprised of governmental representatives - somewhat on the lines of the present Committee - appointed by the General Assembly and reporting to it. Representatives of the administrations would be associated only on invitation. Such a body could not possibly, as we see it, be a substitute for the kind of civil service commission referred to in the previous paragraph. Instead of a small, compact body of qualified experts enjoying the confidence of the legislative bodies, the executive heads, and the staff - but independent of all of these in its day-to-day operations and subject only to the overriding control of the General Assembly - there would be a comparatively large body of governmental representatives, divorced from any direct and first hand contact with the daily problems of administration, and exercising something more in the nature of a general political control. The innumerable detailed problems that fall to be dealt with by the present co-ordinating machinery of ACC, CCAQ and a variety of inter-agency and intra-agency working parties, and which impose an increasing strain on that machinery, such as the elaboration of common grading standards and recruiting standards, the definition of entitlement to benefits, and the development of in-service training, are quite unsuited for such an inter-governmental body, which would moreover tend to duplicate, as regards the United Nations organization itself, that part of the work of the ACABQ which relates to personnel matters - and salaries and allowances account for some 75 per cent of the regular budget of the United Nations. Nor could such a body hope to rival the experience of ICSAB or the intimate and detailed knowledge of the system which has been built up over the years in CCAQ.

15. There is ample evidence that the present arrangements consume far too much of everybody's time and energy, without providing for a final determination of controversial questions. In view of the constitutional autonomy of the agencies, and the terms of their relationship with the General Assembly, the establishment of any kind of central regulatory body would have to be preceded by a good deal of detailed negotiation. In this, as in other respects, the Committee may have been unconsciously considering the common system too exclusively from the angle of the United Nations organization itself. The larger part (some 57 per cent) of the staff in the common

system are employed by the specialized agencies and IAEA, and the working of the common system cannot be appreciated if viewed only through New York spectacles. Here again, fuller discussion at all stages with agency representatives could have deepened the Committee's understanding of the problem and led to a fruitful cross-fertilization of ideas from which creative solutions might have emerged; it is a pity, in our view, that this opportunity was missed.

Chapter III - The salary system for staff in the Professional and Higher Categories

16. We are unable to accept either the Committee's analysis of the present system or their recommendations for its amendment, partly because the latter seem to us unsupported by evidence and partly because we believe that their application would involve worse anomalies than those now prevailing.

The Noblemaire principle

17. One must distinguish between the Noblemaire principle and the formula by which it is applied. The principle itself, if it is taken to mean that international salaries should be adequate to recruit and retain nationals of all Member States, becomes little more than a statement of the obvious, given the primary aims of universality and of equal treatment of staff regardless of nationality. But if salaries are to be sufficient to attract nationals of the most highly paid countries, it must follow that, at most duty stations at least, they will be more than sufficient to attract nationals of less highly paid countries. This is a necessary, if unwelcome, corollary to the principle of universality, and (together with the factor of expatriation) accounts in large measure for the discrepancy between European national salaries and those of the United Nations system.

Comparisons with United States Federal salaries

18. We believe that for purposes of pay and personnel administration the United Nations organization, and to a lesser degree the other organizations in the common system, should be regarded as sui generis. They cannot be strictly compared with national civil services, with private sector enterprises, or with diplomatic missions. If any analogy is to be used, the comparisons with the United States Federal Service is the least open to objection for the reasons stated in the main report. But we endorse the opinion expressed by previous review bodies (most recently by ICSAB in its 1970 report) that there never has, and never should be, any arithmetical or automatic formula by which salaries in the United Nations common system should be related to those of the United States Federal Service. While it may sometimes be relevant to compare movements in real income in the two services, the conclusions to be drawn will depend almost entirely on the dates selected for comparison. The majority of the Committee took the view that the right relation was that which obtained (at the particular matching points chosen) at the time when the 1956 Salary Review Committee reported. But that Committee did not itself propound any particular relationship. It confined itself to endorsing the existing scales as being adequate, in its view, to recruit and retain staff at Geneva. The question of the desirable ratio at any given point of time should be a matter of judgement - in part a political judgement, in part based on the pragmatic test of recruitment, but in any case one to be taken in light of all the circumstances.

19. In the light of these considerations, the majority formula for the determination of professional salaries seems to have two grave drawbacks. First, it ties United Nations salaries more closely than ever before to those of a single country - the United States. It must be borne in mind that since the passing of the Salary Reform Act of 1962 US Federal Civil Service scales have been brought into line at most grades with salaries paid for equivalent work in industry and commerce; and they are reviewed annually to keep them in line. To forge so close a link between United Nations salaries and those paid by the richest and most economically advanced country in the world might prove in the long run to be an extremely costly solution for the United Nations. In recent years the increases in UN base scales (as distinct from total remuneration) have been appreciably less than US Federal scales; under the system proposed, they would increase at the same rate as US scales, since any increases in the latter would automatically be carried into UN salaries.

20. Secondly, the 115:100 ratio between the two systems seems to be an arbitrary figure with no clear justification and is moreover based on the unverified assumption that the two grades selected for comparison are equivalent in duties and responsibilities. The fact that the ratio has increased since 1956/57 is due to the fact that the cost of living in New York (to which UN salaries are related) is, according to official US statistics, appreciably higher than the cost of living in Washington, and that US civil servants in New York are in effect on Washington conditions because the US Government does not pay inter-city differentials. The current ratio (on the same matching points) is calculated to be 123:100, so that the formula implies that a reduction of some 8 percentage points is desirable. It happens that this reduction coincides almost exactly with the 8 per cent increase in base scales, effective 1 July 1971, which the General Assembly approved in 1970. The facts before the Committee were essentially the same as those available to ICSAB, to ACABQ, and to the Fifth Committee when the 1970 increase was decided on. There may be valid arguments for holding that the 1970 decision should have gone the other way. But the onus of proof is on the Special Committee, and we do not feel that the majority report really attempts to discharge it.

21. It is the majority position that a United Nations/United States relationship of 115:100 in New York is sufficient, if coupled with improved recruitment and career development plans, to attract and retain staff of high competence. The reservation about recruitment is an important one, since the appropriate level of salary scales (as the 1956 Salary Review Committee emphasized) cannot be separated from the non-financial factors in recruitment. As we have said elsewhere, the Committee devoted to these factors a very limited share of its time. But there was a considerable amount of evidence that many staff members find difficulty in living adequately in New York on existing United Nations salaries, generous though these may look on paper. This applies particularly to staff with dependents in the junior grades. In practice the United Nations has tended to avoid the problem by recruiting professional staff as P-3 level and upwards, thus intensifying the problems of career development, as well as undermining the grading standards of the system as a whole. It would seem therefore a desirable object of policy to ease conditions selectively in New York while refraining from increasing remuneration in duty stations where it is already (on national comparisons) over-generous. The solution favoured by the majority of the Committee seems to fall short in this respect. Moreover the majority seem to have given insufficient attention to the effect of their proposal on the level of pensionable remuneration.

22. Indeed, the question whether New York should be treated as a special area with problems peculiar to itself seems to us to deserve more examination than the Committee has given to it. The difficulties most felt by the new arrival, according to the evidence tendered to us, include the following: rents (especially in Manhattan) are prohibitive; costs of house purchase are soaring, and the UN official cannot obtain tax relief against loan charges under the tax assessment system; if the official moves out to avoid the high costs of living in the central area, his journey to work is expensive and time-consuming, public schooling and facilities are often unsatisfactory and private school fees (as mentioned in Chapter V of the main report) are rising faster than the cost of living generally; and medical care in New York is notoriously expensive, while only a part of the cost of insurance is borne by the Organizations. There is no quick or obvious answer to this problem; and in the absence of full discussions with the interested parties we do not feel able to propose solutions, such as differential housing grants or other selective benefits. We believe that the question merits study in depth by a small group of experts.

Comparisons with other salary systems

23. The abandonment of the present single set of base scales for international staff in favour of two (or more) systems, e.g. one based on United States Federal salaries for staff serving in North America and one on European national salaries for staff serving in other duty stations, was one of the possibilities considered by the Committee but discarded for the reasons stated in the main report. Looking to the future, however, there may be a case for the development of a regional category of civil servants, based on regional scales, as part of the process of integrating United Nations programmes with those of Member States. This idea might imply a greater degree of decentralization of programme control than would be generally acceptable at present, and for this reason (and because there was no opportunity of pursuing it with administration representatives) we do not make any specific recommendation; but we believe that in the long run the health of the United Nations system and the effectiveness of its programmes must depend on reversing the tendency of recent years towards career centralized bureaucracies at headquarters, and on reducing, not increasing, the number of staff paid at international salary rates.

The Post Adjustment System

24. The passage of time since the post adjustment system was introduced as a result of the recommendations of the 1956 Salary Review Committee has disclosed a number of distortions and inconsistencies which are analysed in the report prepared by the Committee's Consultant, Mr. Frochoux. Unlike the majority of our colleagues we favour the acceptance of the main recommendations of that report, including the proposed change from a net to a gross method of calculation (which would incidentally ease considerably the position of the Tax Equalization Fund) and for the elimination of the "social" element in the present system, which should more appropriately be reflected in a differentiated system of staff assessment. We do not agree with the view expressed by the majority that the system is primarily a device for providing cost-of-living supplements to salary at high-cost duty stations, or that it should be reviewed with a view to making it more discretionary and less automatic than at present. The function of the system is not to supplement salaries but to equalize their purchasing power as between one duty station and another. It may be that its effect is to insulate staff members against inflation to a great extent or with a shorter time-lag than is common in national services. But in an international service whose members are employed in some 160 countries and territories over the world some

such system is essential to avoid gross inequities of treatment and to eliminate windfall gains and losses such as those arising from devaluation or revaluation of currencies. We believe that this basic premise of equalising purchasing power is closely bound up with the principle of equal treatment of all staff irrespective of nationality. It may be nevertheless that the statistical methodology employed calls for a more searching review than either Mr. Frochaux or the Special Committee was able to give it.

25. Between 1950 and the end of 1961 United Nations base salaries (with minor exceptions) remained unchanged, cost-of-living adjustments being made from time to time and since 1 January 1957 under the new post adjustment system. Since then, base salaries have been increased, by decisions of the General Assembly, on four occasions (from 1 January 1962, 1 January 1966, 1 January 1969 and 1 July 1971, respectively), and on each occasion the Assembly approved the consolidation in the base salary of one or more classes of post adjustment. It is to these increases, not to the automatic nature of the post adjustment system, that the increase in the United Nations salaries in real terms over the last decade should be attributed. Post adjustment increases alone do not quite fully compensate for increases in cost of living since they yield a $4-4\frac{1}{2}$ per cent increase for each 5 per cent cost-of-living increase. This slight lag is periodically removed by the true increases in base salaries (as distinct from consolidation) and those increases further provide an increase in real income terms. In the 15 years since 1957 the total real-income increase has been just over 30 per cent; from January 1966 to January 1972, despite the fact that post adjustment increases occurred more frequently, and despite additional salary increases of 5 per cent gross on 1 January 1969 and 8 per cent gross on 1 July 1971, the increase in real-income terms was only 2 per cent. It cannot be said therefore a rapidly rising cost-of-living benefits the staff, or that the automaticity of the post adjustment system leads to excessive real-income increases. The majority report has not analysed the actual results of the system in practice, or in relation to comparable movements in national services.

Chapter IV - The salary system for staff in the General Service category

26. We have few specific comments on the Committee's proposals in this chapter. But three consequential matters need to be noted.

27. Since General Service salaries will continue to be determined on the basis of local pay comparisons, while Professional salaries will (under the majority proposals in Chapter III) be held at current levels until the ratio 115:100 with United States salaries is achieved, it must be expected that the existing relation between General Service and Professional salaries will become progressively distorted; and the salary overlap between the two categories, which is already high in some cities (at P-2, step 6 in Paris: see the table of paragraph 15 of this chapter) will tend to be pushed even higher. The position would be exacerbated if, as some members advocate, a freeze or slowing down were imposed on post adjustments. This secondary consequence of the majority's recommendations on Professional salaries seems to have been insufficiently considered.

28. The Committee's recommendations take no account of the proposal by the executive heads to change the General Service category into a Local Service category by the reclassification of a limited number of Professional posts, mainly of a servicing character, which can only be effectively filled by local recruitment. We have adverted to this matter in our comments on Chapter I of the report.

29. Finally the recommendation (paragraph 80 of this chapter) to refer to the new central regulatory body the definition of agreed standards in grading and salary structures serves to emphasize, in our view, the need for expert skills of a specialized kind in the regulatory body and the unsuitability, as a medium for co-ordinating the common system, of the type of political body recommended by the majority in Chapter II.

Chapter V - Allowances and benefits

30. It is unnecessary to review in detail the recommendations of the Committee over this extensive field. With most of them, as far as they go, we are in general agreement. But the fact that the Committee was obliged to reach conclusions on allowances before it had formulated its final recommendations on Professional base salaries and post adjustment illustrates once again the drawbacks of the work plan adopted by the majority, to which we referred in our preliminary comments. As a general proposition there is much to be said, from the standpoint both of economy and of sound personnel administration, for a lower level of base salaries coupled with a more generous system of selective allowances and benefits. But such a system implies a pre-existing view on the principles which should govern the salary base, including the question whether the system should differentiate, for example, between expatriates and non-expatriates; without such a framework into which the system of allowances could be fitted, the review of current benefits necessarily assumed an ad hoc character.

Chapter VI - Retirement and pensions

31. The resolution appointing the Committee included superannuation in its enumeration of the questions which the Committee might study. But the sponsors of the resolution made it clear that this reference did not imply that the Committee should examine the details of the Pension Fund. As we see it, the question of United Nations pensions entered into our work mainly at two points: first as one of the conditions of service which should be taken into account (as far as the benefits of the pension scheme can be quantified) in comparing the total package of United Nations remuneration and benefits with those of other services; secondly at those points where pension policy and personnel policy converge, such as the age of retirement (which has implications both for career development and for the Pension Fund). The Committee's consideration of these questions, and our own dissents from some of the majority recommendations, are fully summarized in the main report, and we do not propose to add anything here, except to emphasize the obvious point that the Committee had neither the time, the data, nor the technical competence to enquire into the actuarial calculations underlying the present level of benefits and rates of contribution or the adequacy or otherwise of the assets of the Fund, all of which matters are considered annually by the Fifth Committee on the report of the United Nations Joint Staff Pension Fund Board. We believe, therefore, that any opinions on these points expressed by Committee members are of questionable relevance to the Committee's mandate and render little service to those responsible for the management of the Fund.

Conclusions: A possible programme for action

32. It will be clear from the foregoing analysis that in our view the majority report has signally failed to discharge the mandate laid upon it by the General Assembly.

We believe that the defects and anomalies in the present structure, the existence of which has been acknowledged by all review bodies in recent years, will need to be further reviewed if the international secretariat is to become a fully effective instrument for carrying out its tasks in a changing world. To justify this statement in detail would mean extending this memorandum to an excessive length; we will therefore confine ourselves to indicating certain broad lines of enquiry which might, in our opinion, be usefully pursued.

33. Since the main anomalies stem from a failure to distinguish, in terms of basic remuneration between expatriates and non-expatriates, we believe that the institution of a system of expatriation allowances (which was one of the proposals put forward by the executive heads) need to be further explored. Clearly, it would be impossibly expensive to give an expatriate allowance on top of the present scales to the 90 per cent or so of staff who would at present qualify for it; and equally it would be inequitable to make a corresponding reduction in the remuneration of the 10 per cent of non-expatriates. We would therefore, favour a gradual approach. It might be possible, for example, on the next review of base salaries by the General Assembly, to stipulate that any increase should be conceded only to non-expatriates and to proceed similarly in subsequent reviews until an adequate expatriation margin had been built up between the two classes. Such an expatriation allowance could be graduated so as to benefit chiefly staff at lower pay levels.

34. We believe that the maintenance of the equivalence of purchasing power of salaries at all duty stations can be achieved by the continuance of the post adjustment system, as modified by the recommendations contained in the Frochaux Report. The majority has taken no position on these recommendations, except to recommend that they be further studied by experts. We ourselves would favour the implementation of most of the main Frochaux recommendations, including the change from a net to a gross basis and the elimination of the present differentiation between staff with and staff without dependants, though we have reservations on some others (such as the degree of vertical regression to be desired and on the modification of the four-month rule). We agree also with Mr. Frochaux that the appropriateness of the present statistical methods should be further considered by ECPA.

35. Adoption of the main Frochaux proposals would involve the introduction of new rates of staff assessment which would differentiate (as do most national taxation systems) in favour of married staff. Apart from this point, the staff assessment plan is one of the areas in which the main report has neither discussed the issues nor formulated any conclusions. We refer to such points as the place of staff assessment in the salary system as a whole and the basis for establishing the rates. We recommend that the appropriate studies be put in hand.

36. A differentiated staff assessment system would entail the disappearance of the allowance for a dependent spouse; and the application of the principles of the post adjustment system to allowances and benefits generally would require the re-examination of certain allowances (such as those for children and secondary dependants) which are at present expressed in fixed rate terms. As the majority has failed to draw conclusions on these matters from its study of the post adjustment system, it has made no recommendations on the spouse allowance.

37. The majority report has failed to provide the General Assembly with any criteria or guidelines by which to judge future movements in the United Nations professional salaries (after the ratio of 115:100 between United Nations and United States salaries has been achieved), apart from a recommendation that the proposed new inter-governmental body should determine the equivalence of the grades which should be linked in the two services. Since, as indicated above, we disagree with the majority both on the composition of the new inter-governmental body and on the desirability of a closer link than at present with the United States salary system, we cannot consistently support this recommendation. In our view, the question to what extent international salaries should be increased in real terms from time to time to enable the staff to share in the benefits of economic progress is too complex to be answered by reference to any single formula, and is essentially a political one to be determined by the General Assembly. We would however, suggest that the Assembly should intervene in this respect at regular intervals (say every four years) to determine whether any and if so what percentage increases should be given; for this purpose movements in real salaries of national civil services (and not only the United States Federal service) would seem to be among the most relevant data to be considered.

38. A notable lacuna in the majority report is the absence of specific recommendations on the non-financial factors in the recruitment and retention of staff, such as methods of recruitment, the practicability of competitive examinations (whether on an international, a regional, or a country basis), the promotion machinery, the procedures for reporting on staff performance, and the development of an adequate career structure. We agree with the Salary Review Committee of 1956 in holding these factors to be no less important than the level of salaries; but since the present Committee did not discuss them in any detail we are not in a position to formulate definite proposals. As far as the United Nations Organization is concerned the study undertaken by Mr. Maurice Bertrand contains a detailed analysis of the problems, and his proposals will no doubt receive the fullest consideration. We merely mention the subject here as one which in our view might profitably have been examined more in detail by the Committee than it has done in chapter I of the report.

39. In conclusion we would emphasize that the present system has been in operation now for some 16 years and it is inevitable that deficiencies should have crept into it. The Special Committee was therefore presented with an opportunity to recommend timely and necessary improvements which could have helped the organizations to operate the system with greater economy - and with more efficiency - in the years to come. It is regrettable that the 13 months of its existence have not been used to the fullest advantage, and that instead a good deal of the time has been spent on topics which are perhaps more properly the concern of other bodies. It is our hope, none the less, that even what we regard as the failure of the present Committee will have served the purpose of identifying the problems facing the organizations, and of indicating the lines along which fruitful solutions may be found in the years ahead.

ANNEX II

Separate opinion of Mr. S.K. Roy as the Indian Member

Introduction

1. At the initial stages of the discussions in the Special Committee it was clear that there were very distinct and essentially different attitudes, and some very strongly held views. They varied from those who thought little, if any, modification was necessary, to others who wanted very substantive changes. The task of the Chairman of the Committee thus essentially became one of holding the committee together as a working group, and creating conditions in which the various views of experts would not be submerged merely on the basis of majority decisions. This required the maintenance of such a balanced and uncommitted position that my views as the Indian expert on the committee had to be totally subordinated to my role as Chairman. Therefore, in fairness to myself, and to those who appointed me I feel bound to record my position. Without in any way dissenting from the decisions and recommendations given, in the report except where this is specifically stated, I consider that the whole question has to be viewed in a different context.
2. I would like first to emphasize my total commitment to the ideas which inspired the creation of the United Nations, and my deep conviction that since its inception it has achieved much more than could have been expected of it. If there are negative attitudes about its contribution, this is substantially because much more is expected of it than the world circumstances, and the requirements of individual Member States will permit. Therefore, I wish to pay a personal tribute to the creative contribution of the many distinguished and dedicated men within the common system, and to the enlightened and wise leadership provided by Secretary-General U Thant during the past most eventful decade.
3. Such organizational and structural defects which have developed arise from the very immensity of the changes that have taken place since the United Nations was established. Instead of a small secretariat in New York charged with limited servicing and co-ordination responsibilities, the United Nations now has more than doubled its membership and has an enormous headquarters staff with about 50 per cent of its personnel serving at some 150 duty stations. It is these circumstances that make it imperative to re-examine the fundamental principle in relation to the vastly expanded tasks of the United Nations family, and the different times in which the world organizations now have to operate. To try to do this within the existing framework seems to me totally unrealistic.

Present position

4. Marginal changes in certain areas, and an examination of the general salary levels is all that could possibly be done in the six working months available to the Committee. A fellow member, Mr. Hillis, estimated that a total review would take three to five years: two to two-and-a-half is certainly the inescapable minimum. This would have to be linked with meaningful visits to all regional headquarters, and a cross-section of field duty stations.

5. It is unfortunate that the short time span also makes conspicuous many shortcomings in administration and in personnel management, without giving us time to examine them in enough detail to make more constructive suggestions. This is particularly true with regard to special facilities for staff serving in difficult working conditions, and the need to take specific action to cover non-expatriate and non-mobile staff. However, we were able to get considerable insight into the working of the common system. I have endeavoured to set out certain additional points which provide some basis for more detailed study.

Structure

6. I consider that, probably largely because my colleagues and I did not have enough time, the recommendations in Chapter II do not go far enough. The present structure is workable within certain limits but given the many additional and diverse tasks the United Nations now undertakes, and the substantial increases in the number of personnel required, some major modifications in the whole concept must be undertaken. One senior executive spoke to us of the possible need for drastic revisions in the structure, and another advocated an attitude of "creative destruction". Today, some 48,000 staff members, 35,000 in the United Nations and 13,000 in UNRWA, are paid according to the United Nations rates. These are substantially above the levels in all except two or three of the most economically advanced countries with the highest standard of living. I recognize that the United Nations must have the very best personnel as envisaged in Article 101 of the Charter. It may even be necessary to pay higher salaries for really top quality people. However, there seems no justification for seeking to have the very best in every field of activity. I am confident that with more time to go into this in detail the Committee could have found a new formulation introducing many economies with an increase in working efficiency.

Remuneration

7. I, in common with most members of the Committee, was very impressed by the presentation of the Director-General of IAEA. I particularly regretted that organizational inadequacies prevented our having more detailed discussions with this Agency. The basic points he set out in a letter addressed to me as Chairman (A/AC.150/R.3/Add.3, see Annex ...) seem to touch the heart of the whole problem. In his view the present system of remuneration "is based on three false premises:

"(a) That the level of remuneration should be so designed that it should attract a group of elite from all Member States including the highest paying. Even if it was desirable to have such a corps, an elite by definition is a small group and the idea could in no case be applied to the present international civil service consisting of approximately 30,000 persons of varying levels and types of expertise, many of whom are required to carry out very routine duties;

"(b) That the international civil service should consist only of the very best available candidates from all parts of the world. This is not a practical concept and in any case the international civil service like any other service can only expect to have a fair share of brilliant and extremely able staff members; and

"(c) That the quality of the staff is directly related to the level of remuneration. I believe it is erroneous to assume that qualified persons are only attracted by what they are paid. The more able in fact are motivated in choosing a career by several considerations, remuneration being only one of them. What is important is that it should be "high enough" to attract such persons."

8. This view from within the common system provides a valid beginning for basic rethinking on the level of emoluments and recruitment policies. It is clear that non-financial factors are as important as the actual remuneration. In terms of performance alone, it is now a well-established reality among top management that an average individual committed to his work will produce better results than a brilliantly able but uncommitted one. For the United Nations idealism and commitment to its larger purposes seems to me a vitally important factor in selecting suitable staff.

Centralization

9. There has to be some fundamental re-thinking on the type of Secretariat needed to respond most effectively to the extended tasks in so many different countries. A major problem the United Nations and the organizations face is related to the very evident need to de-centralize very much more widely, and to delegate substantially greater authority to regional headquarters and operational areas. We have today a centralized bureaucracy located in New York, and a few European headquarters countries, with a danger of creating a salaried elite. Certainly, many people bring to their work genuine dedication and real quality but many of those recruited, and paid on the basis of standards set out in the Charter, are in practice frequently of a quality well below what is envisaged. The large number of staff, and the somewhat rigid hierarchical structure, buries the real talent available. This results in its under-utilization, and the performance of comparatively routine tasks by very highly qualified people. The consequent frustration of even the most committed individuals is understandable.

10. Over 60 per cent of staff in the professional and higher categories are nationals of Western European countries and Canada and the United States of America. Almost 70 per cent of the personnel are located in the major cities of countries with the highest standards of living. The present limited mobility inevitably leads to a

tendency to divorce the policy-makers from working realities in most places where the United Nations operates. A kind of ivory tower, air-conditioned isolation can too easily develop. Most countries have been forced to recognize that no really meaningful administration or development can be done from the top down. It has to reflect varying conditions from areas of greatest prosperity to those in the remotest and least developed ones; and this is true even in the most advanced countries. Therefore, there is usually a regular circulation of national civil service personnel between field duty posts and work in the headquarters. Such a policy is many times more essential in a world organization with 135 Member States in vastly different stages of political, economic and social development.

International Civil Service

11. The policy of one specialized agency to link career advancement directly to field experience is only a partial solution. It does not allow for conditions in those organizations which lack an administrative framework to provide such experience. This only emphasises the need for much greater movement of personnel between the different organizations and the importance of developing a really functional, fully mobile International Civil Service, centrally administered, with the organizational capacity to undertake both short-term and long-term career planning. Such a service could contribute substantially towards developing more effectively the essential unity of the entire United Nations family with the common purposes and tasks of the world organization as a whole. At present, there does seem to be a tendency for each organization to emphasize its essential autonomy, and to operate on the basis of its own specially conceived sovereign status in a particular area. This frequently results in considerable over-lapping of interests and activity, with consequent dissipation of scarce resources.

12. Pending a broader based examination, some immediate meaningful improvements can be undertaken. Member States can themselves make a major contribution towards improving the quality of personnel. First, they should be prepared to make available candidates from among their most capable personnel instead of, as was indicated to us several times, finding a "resting place" for the person nominated (the actual terms used were much more explicit). It would also be desirable, and relatively simple, to develop a convention by which requests for individuals by name would not be considered. Instead, this could be met by the despatch of a panel of at least three names from which selection would be made. Obviously, the organizations themselves must simultaneously do more to achieve imaginative and up-to-date recruitment and personnel policies, combining much more vigorous and demanding recruitment with modern methods of selection, promotion and personnel management.

Decentralization

13. The problem of over-centralization is very much more complex, but greater decentralization is surely essential, particularly in the context of the recognized need for far greater delegation of authority to field personnel. Constant reference to a Headquarters, frequently not in a position to comprehend properly local conditions,

results in time and money wasting delays, and frustration on the part of the operational personnel concerned. A major factor is the very substantial additional expense involved in locating such a large percentage of personnel in the most expensive countries. A whole new operational methodology has to be evolved aimed at giving much greater authority to the regional headquarters, developing possibilities of greater inter-regional co-operation; and reducing the concentration of personnel in a few headquarters. We have to view Headquarters Secretariats less as centres of authority, and more as was originally intended, small secretariats to service and co-ordinate policies.

14. Apart from the obvious operational rationale of such an approach, it would itself result in very substantial economies in three inter-linked ways. First, the reduction in staff in the most expensive countries will lower costs; second, the large number of liaison personnel from the agencies now located in the United Nations headquarters at New York would no longer be needed; and thirdly, by reducing the pressures on limited facilities in certain cities the costs of maintaining personnel would come down. For instance, in Geneva the accumulation of highly paid staff raises costs in every area, rents, general cost-of-living, domestic staff, hotel charges, etc. Also, the United Nations is by far the largest employer; wages of local staff themselves rise because the overall demand far exceeds the capacity of the employment market.

Regulatory organ

15. Whatever form the idea of a central regulatory body may take, it should provide a direct link between the role of the Secretariat and the wishes of Member States as expressed through the deliberative organs. There is indeed a most urgent need for some such body. It would be well worthwhile making some immediate interim arrangements to follow-up on the basic work done by this Committee, to ensure quick implementation of such of its recommendations as are accepted by the General Assembly, and to examine expeditiously the many vital areas which had to be left untouched for lack of time.

Guiding principle

16. I left my comments on the "guiding principle" to the last because I considered that the whole approach must depend on the kind of Secretariat Member States want. I started out convinced that the Moblemaire principle required modification. Detailed examination revealed clearly that the principle itself is an inescapable necessity for the world organization as a whole. Clearly, every member of the professional staff must receive the same emoluments irrespective of his country of origin. However, the formula for the application of this principle needs even more detailed study than has been possible for us to undertake. Even with the revisions suggested, and these do make some real contribution towards a better balance, I am left feeling that in the name of equal treatment for all the present system in its effect is less fair to its employees from one or two of the highest paying countries, than to those from all other countries.

17. In effect, we are faced with two major factors which influence the principle as a whole: first, UN emoluments are compared with those of the highest paying country, the United States; and, second, we have the categorical imperatives imposed by what is probably the city with the highest standard of living in the world, New York, which houses a major segment of the staff. In making allowances for these factors we are almost driven to fixing emoluments at levels just enough to meet the requirements of personnel from the highest paying country, particularly for their recruitment in its most expensive city. We are simultaneously unable to avoid over-payment of personnel from virtually all other countries and in all other headquarters. This may seem an over simplification but it is essentially what the present study has brought home. Of course, to find a solution which provides more balance is extremely complex, but one can be found. First we have to decide whether the present almost accidentally evolved system is satisfactory or a fresh view has to be taken along the general lines indicated in the above paragraphs.

18. I personally consider that we have to go back to first principles and re-examine them in terms of present-day world realities. In his presentation to us an executive head said that: "The standards and effectiveness of the world public service may be of decisive importance for the future of the orderly government of mankind". I agree on the need to improve standards but I see today's formulation more as the need for an effective international civil service working for the common purposes and the general well-being of mankind, according to the wishes of the Member States expressed through the deliberative organs of the United Nations, the specialized agencies and the IAEA. The key role of peace-keeping remains as important as ever, but to it are added others likely to increase steadily in significance; the economic and social progress of the peoples of the world, and, most recently, the protection of the human environment for the preservation of mankind. The Committee was repeatedly told 75 per cent of the United Nations budget represents staff costs. This means that basic restructuring must be done to ensure more of the scarce resources are spent on projects rather than on personnel.

ANNEX III

List of members of the Special Committee

Mr. S. K. Roy	Chairman Ambassador of India to Mexico concurrently accredited to Cuba, Nicaragua and Panama
Mr. Oscar R. Faura	Vice-Chairman Minister Counsellor for Press and Information Permanent Mission of Peru to the United Nations
Mr. K. A. Mariko	Rapporteur Counsellor, Embassy of Niger Brussels
Mr. Zakari M. Bello	Permanent Secretary Ministry of Agriculture and Natural Resources Kano State, Nigeria
Mr. Masao Chiba	Director, Institute of Public Administration National Personnel Authority Government of Japan
Mr. Jan Chowaniec ^{a/}	Adviser to the Minister of Foreign Affairs Government of the Polish People's Republic
Mr. A. H. M. Hillis	Formerly Comptroller-General National Debt Office Government of the United Kingdom of Great Britain and Northern Ireland
Mr. Dayton W. Hull	Formerly Director, Compensation Division Department of State Government of the United States of America
Mr. A. G. Koulazhenkov ^{b/}	Ambassador Extraordinary and Plenipotentiary Minister of Foreign Affairs Government of the Union of Soviet Socialist Republics

^{a/} Appointed with effect from 5 July 1971. Mr. Zbigniew Dembowski, member of the Special Committee from 1 to 10 June 1971, was temporarily replaced by Mr. Edward Sabik and Mr. Zbigniew Dabrowski who were designated as alternates.

^{b/} Appointed as replacement for Mr. Aleksei V. Zakharov, with effect from 18 January 1972.

Mr. Guillermo J. McGough^{c/}

Counsellor
Ministry for Foreign Affairs
Government of Argentina

Mr. Jules Milliez^{d/}

Counsellor
Ministry for Foreign Affairs
Government of France

Alternates and Advisers

Mr. Ranjit Gupta,^{e/} alternate to Mr. Roy

Mr. I. I. Volenko, alternate to Mr. Koulazhenkov

Mr. Joseph E. Winslow,^{f/} alternate to Mr. Hull

Mr. John P. Reddington)
Mr. Rouben Lev) advisers to Mr. Hull
Mr. Ralph F. W. Eye)

Mr. V. I. Gapon)
Mr. A. I. Gromov) advisers to Mr. Koulazhenkov

^{c/} Was temporarily replaced by Mr. Ricardo A. Ramyon from 5 to 15 July 1971 and by Miss Ruth Guevara Achaval from 18 January to 7 April 1972.

^{d/} Appointed with effect from 18 February 1972. Mr. P. Robert-Duvilliers, member of the Special Committee from 1 June to 14 July 1971, was replaced by Mr. Michel Maler from 15 July to 24 August 1971.

^{e/} Until end of January 1972.

^{f/} During the 1971 session only.

ANNEX IV

Resolution 2743 (XXV): Establishment of the Special Committee for the Review of the United Nations Salary System

The General Assembly,

Having considered the report of the Secretary-General on salary scales for the Professional and higher categories a/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, b/

Convinced that the Noblemaire principle which has been the basis of the international salary system has led to a number of serious anomalies in its contemporary application,

Noting that the system of establishing salaries for the General Service category in some areas has also given rise to considerable difficulties and concern,

Taking into account the fact that there has been no comprehensive review of the United Nations common system of salaries, allowances, grants, superannuation and other benefits since 1956,

Recalling its resolution 975 (X) of 15 December 1955, which established the Salary Review Committee, in whose report c/ it was indicated that, as the international civil service increased in size and complexity, changes would need to be made in the system which the Committee then recommended,

1. Decides to establish a Special Committee for the Review of the United Nations Salary System, consisting of government experts from eleven Member States to be nominated by the President of the General Assembly with due regard to geographical balance, it being understood that these States will nominate individuals of recognized standing and experience to serve on the Committee;

2. Requests the Special Committee to undertake a thorough review of the long-term principles and criteria which should govern the whole United Nations common system of salaries, allowances, grants, superannuation and other benefits and to report, inter alia, its conclusions and recommendations on the following:

(a) The structure of categories and grades which will best enable the international civil service to discharge its functions with efficiency and reasonable economy;

a/ A/C.5/1303 and Add.1.

b/ A/8008/Add.3.

c/ Official Records of the General Assembly, Eleventh Session, Annexes, agenda item 51, document A/3209 (separate fascicle).

(b) The base of the system;

(c) The principles which should govern the establishment of the salary scales and other conditions of service for the various categories;

(d) The level of salaries and allowances, and the fringe benefits for the various grades;

(e) Such other matters concerning the system as it may deem relevant;

3. Suggests that the Special Committee could establish such panels or subsidiary groups of experts as will ensure that adequate time is devoted to the subjects under study;

4. Requests the Secretary-General, in consultation with the Administrative Committee on Co-ordination and the Special Committee, to arrange for such additional assistance by way of staff or consultants as the Special Committee may need;

5. Requests the Secretary-General:

(a) To transmit to the Special Committee the reports of earlier review committees, the views expressed by the Advisory Committee on Administrative and Budgetary Questions and the summary records of relevant Fifth Committee discussions;

(b) To invite, and to transmit to the Special Committee, the comments and views on the salary system and possible modifications thereof of States Members of the United Nations or members of specialized agencies in the United Nations common system, of the specialized agencies themselves and of the staff associations of the organizations;

6. Invites the Special Committee to seek evidence from such other quarters as it may deem useful;

7. Invites the International Civil Service Advisory Board to express its views on the report of the Special Committee;

8. Requests the Special Committee to transmit its report, together with the comments of the International Civil Service Advisory Board, through the Secretary-General, in his capacity as Chairman of the Administrative Committee on Co-ordination, to the General Assembly at its twenty-sixth session.

ANNEX V

Information on the staff of the organizations
in the United Nations common system as of
31 August 1971

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Table 1
REGULAR AND PROJECT STAFF BY ORGANIZATION AND CATEGORY

Organization	C a t e g o r y					Total	% of total of All Staff
	Professional and above		Sub-total	% of Total of Professional Staff	General Service		
	regular	Project					
United Nations and Related Programmes							
UNITED NATIONS	3 021	1 227	4 248	27.0	5 861 ^{a/}	10 109	29.3
UNDP	479	68	547	3.5	2 759 ^{b/}	3 306	9.6
UNHCR	105	4	109	0.7	192	301	0.9
UNICEF	205	14	219	1.4	799 ^{c/}	1 018	3.0
UNITAR	23	7	30	0.2	34	64	0.2
UNRWA	74	-	74	0.5	5	79	0.2
Sub-total	3 907	1 320	5 227	33.1	9 650	14 877	43.2
Specialized Agencies, IAEA and GATT							
ILO	750 ^{d/}	911	1 661	10.5	1 199	2 860	8.3
FAO	1 429 ^{e/}	2 277	3 706	23.4	2 762	6 468	18.8
UNESCO	832	943	1 775	11.2	1 591	3 366	9.8
WHO	820	1 022	1 842	11.7	1 757	3 599	10.4
ICAO	219	156	375	2.4	394	769	2.2
UPU	56	39	95	0.6	61	156	0.5
ITU	177	172	349	2.2	331	680	2.0
WMO	106	97	203	1.3	160	363	1.0
IMCO	42	12	54	0.3	72	126	0.4
IAEA	341	26	367	2.3	490	857	2.5
GATT	117	32	149	1.0	162	311	0.9
Sub-total	4 889	5 687	10 576	66.9	8 979	19 555	56.8
TOTAL	8 796	7 007	15 803	100.0	18 629	34 432	100.0

a/ Includes the following: 212 Manual and 202 Security staff in New York, 102 Manual and 27 Security staff in Vienna and 295 Field Service staff in various parts of the world.

b/ Includes 103 Field Service Level (FSL) staff.

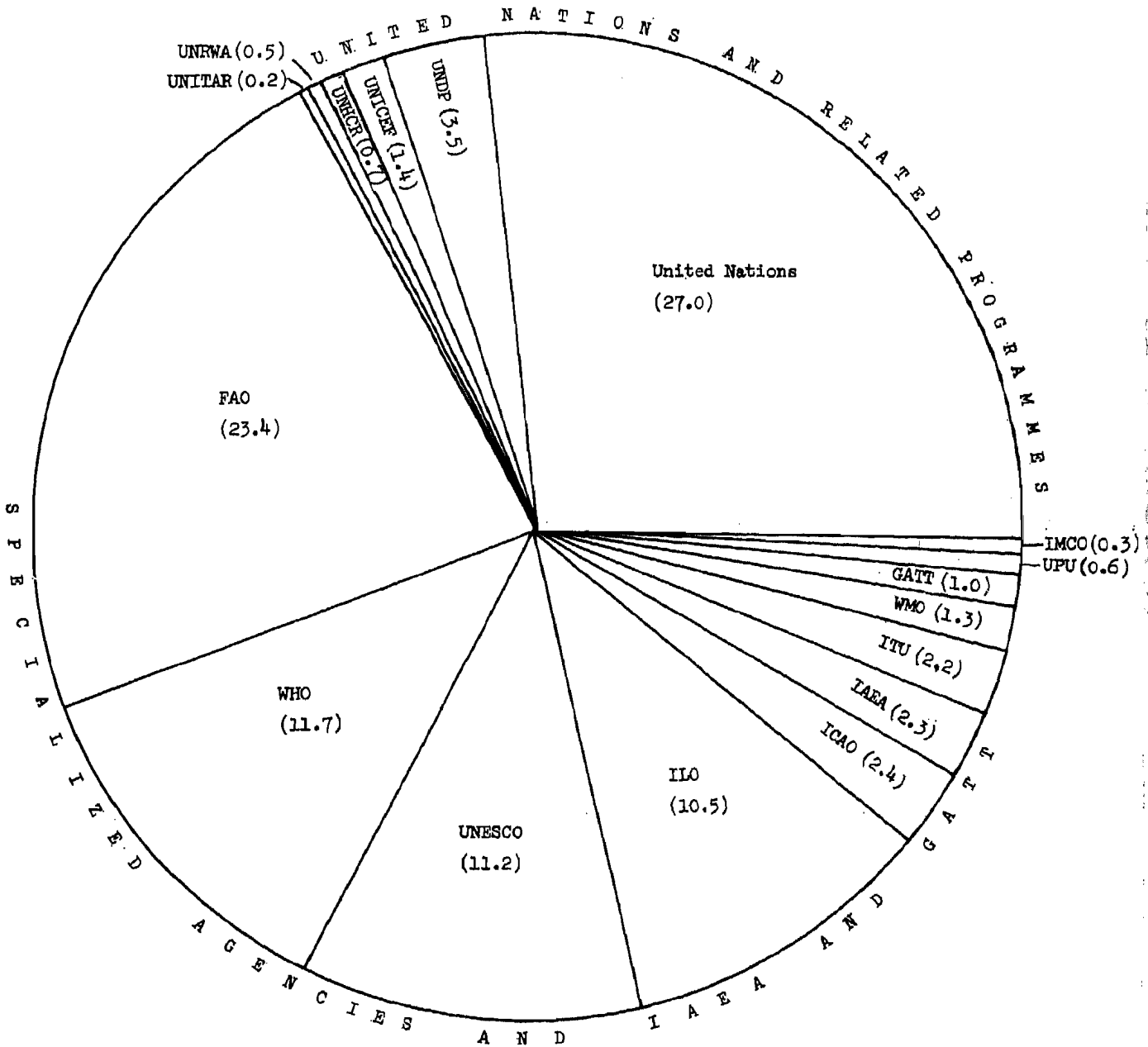
c/ Includes 68 National officers and 10 Field Service staff.

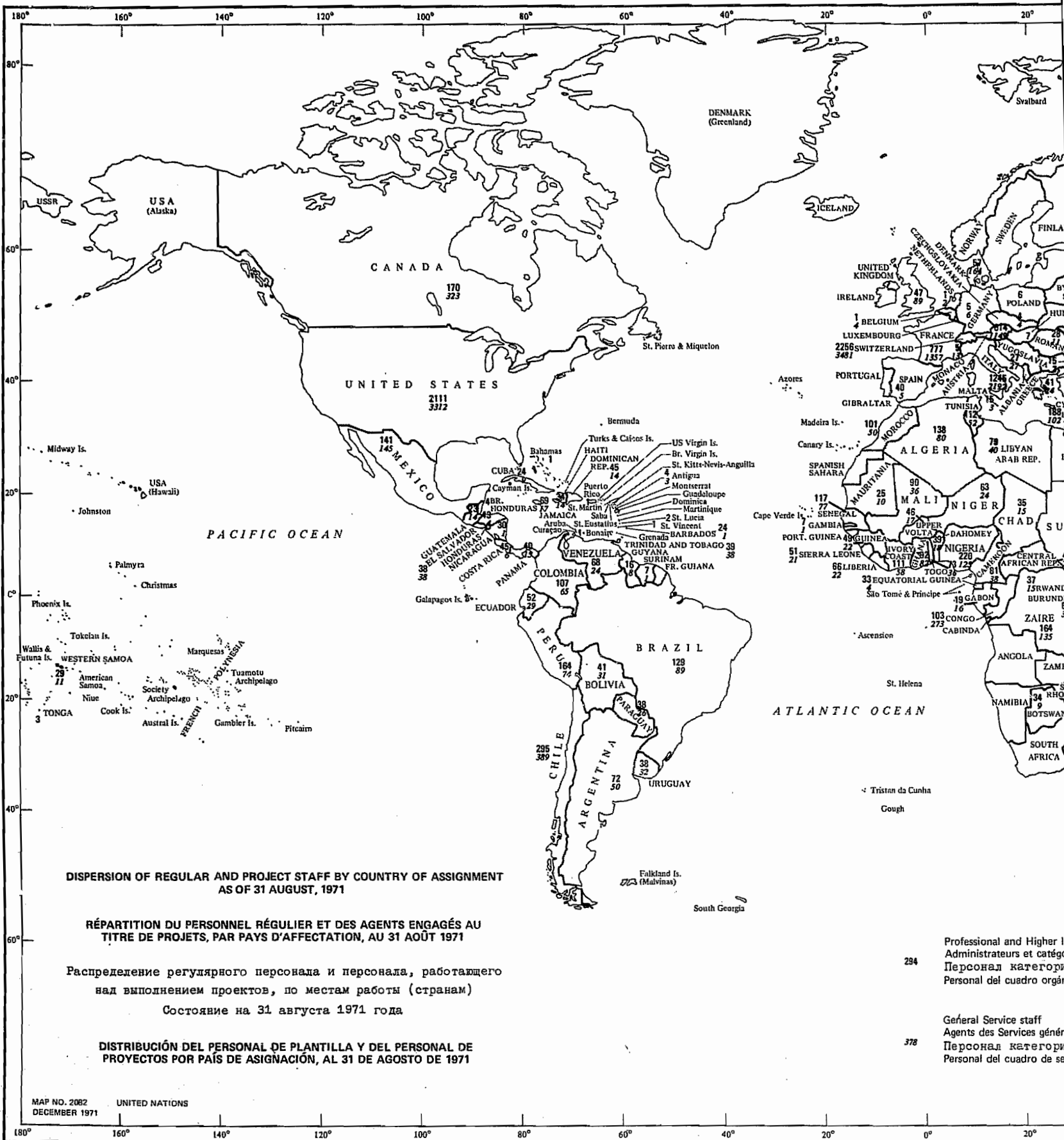
d/ Includes 3 project staff temporarily assigned to Geneva in August 1971.

e/ Includes 34 associate experts or other staff not assigned a specific grade.

Diagram 1

PERCENTAGE DISTRIBUTION OF REGULAR AND PROJECT STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY ORGANIZATION





294 Professional and Higher level Administrators and category I Personnel del cuadro orgánico

378 General Service staff Agents des Services généraux Personnel del cuadro de serv

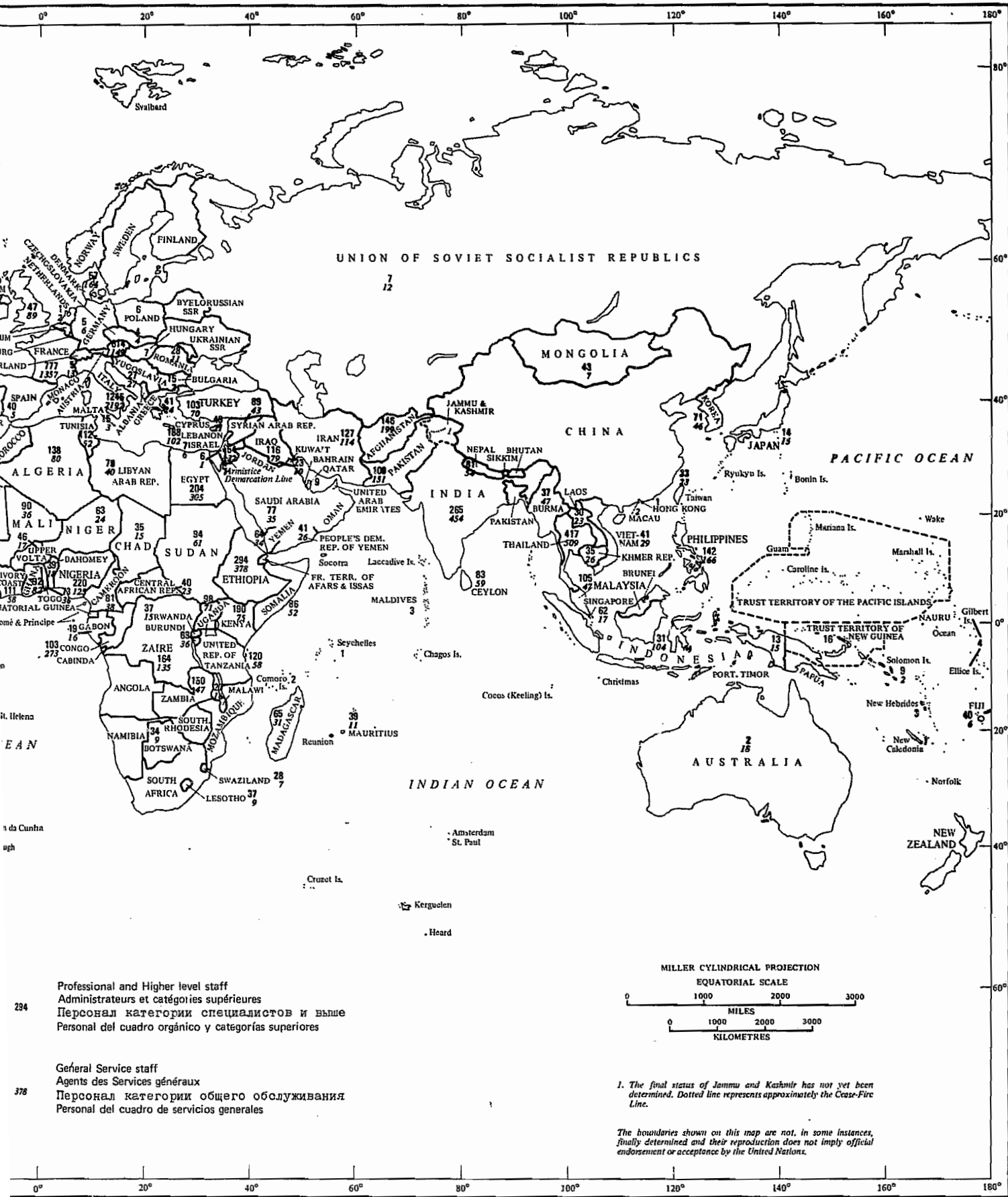


Table 2

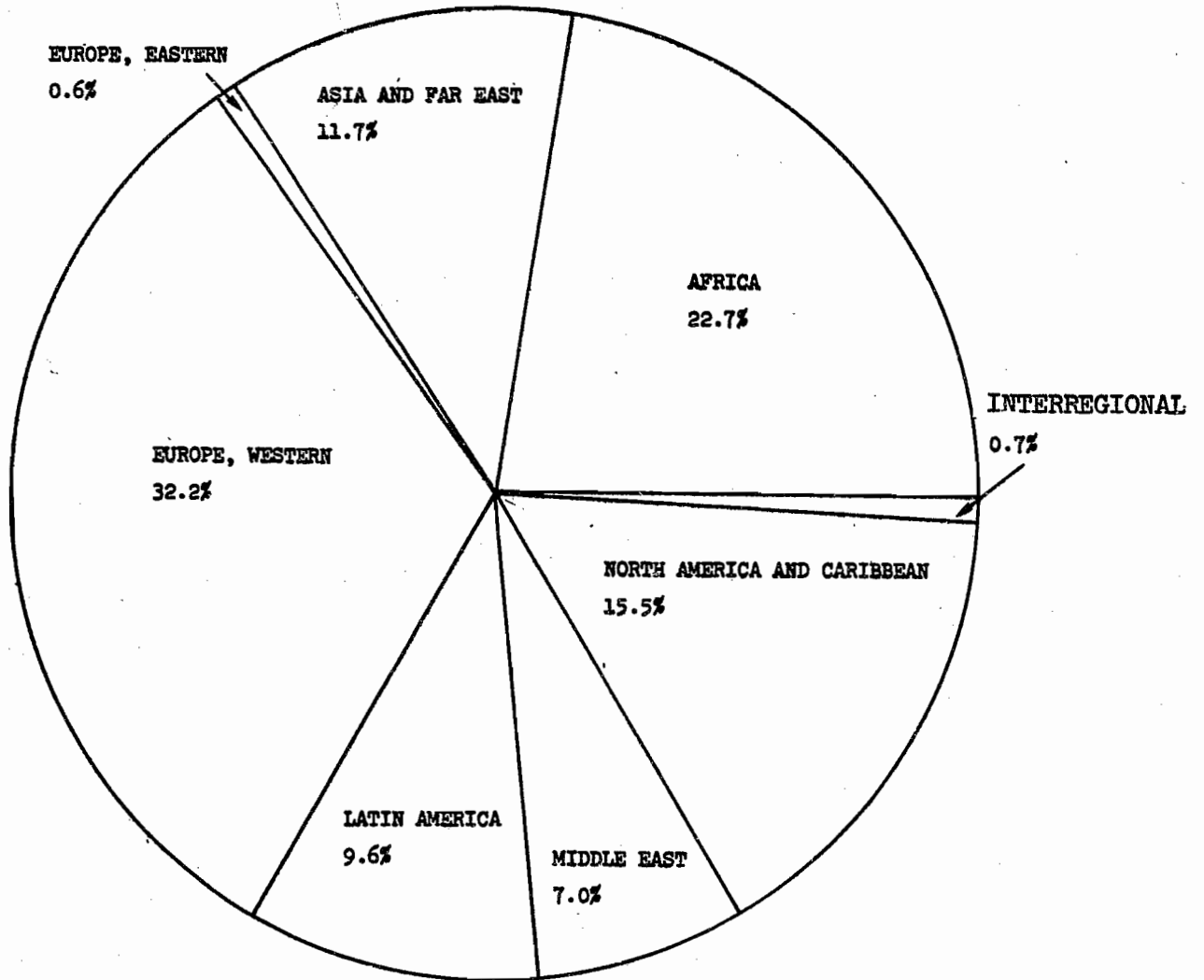
REGULAR AND PROJECT STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY ORGANIZATION AND REGION OF ASSIGNMENT

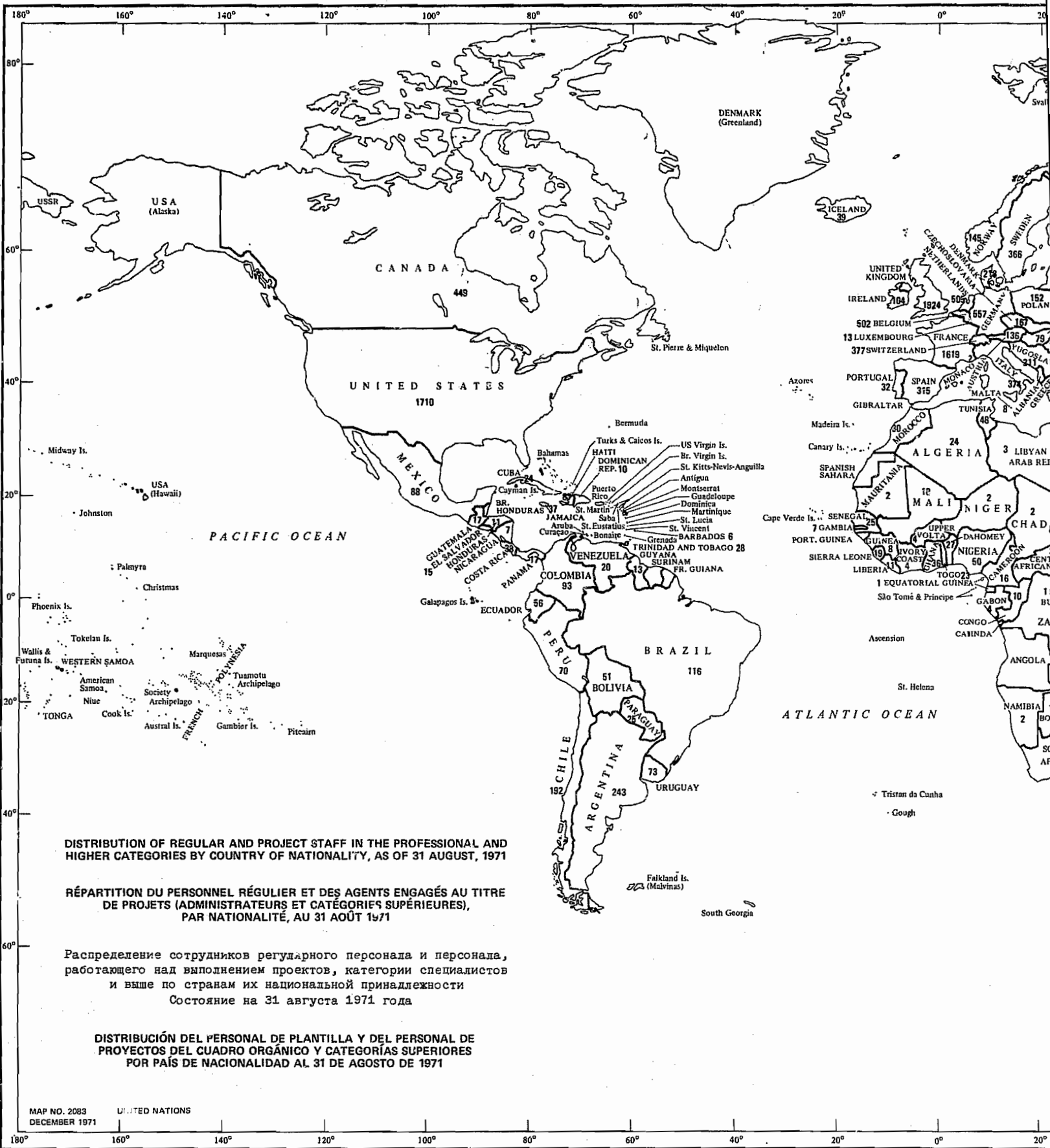
ORGANIZATION	REGION OF ASSIGNMENT														Total				
	Africa		Asia Far East		Europe, Eastern		Europe, Western		Latin America		Middle East		N. America and Caribbean		Other ^a		No.	Per cent	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent			
United Nations and related programmes																			
UNITED NATIONS	600	15.5	362	8.5	17	0.4	850	20.0	395	9.3	145	3.4	1 741	41.1	78	1.8	4 248	100.0	
UNDP	144	26.3	72	13.2	4	0.7	13	2.4	53	9.7	44	8.0	217	39.7	-	-	547	100.0	
UNHCR	27	24.8	6	5.5	-	-	69	63.3	2	1.8	2	1.8	3	2.8	-	-	109	100.0	
UNICEF	38	17.4	50	22.7	-	-	18	8.2	21	9.6	11	5.0	81	37.1	-	-	219	100.0	
UNITAR	-	-	-	-	-	-	4	13.3	-	-	-	-	26	86.7	-	-	30	100.0	
UNRWA	-	-	-	-	-	-	1	1.4	-	-	72	97.2	1	1.4	-	-	74	100.0	
Sub-total	869	16.6	490	9.4	21	0.4	955	18.3	471	9.0	274	5.2	2 069	39.6	78	1.5	5 227	100.0	
Specialized Agencies, LAEA and GATT																			
ILO	458	27.6	247	14.9	25	1.5	658	39.6	230	7.8	111	6.7	32	1.9	-	-	1 661	100.0	
FAO	999	27.0	444	12.0	42	1.1	1 298	35.0	470	12.7	374	10.1	72	1.9	7	0.2	3 706	100.0	
UNESCO	500	28.2	194	10.9	2	0.1	743	41.9	181	10.2	139	7.8	16	0.9	-	-	1 775	100.0	
WHO	555	30.2	384	20.9	3	0.2	575	31.2	126	6.8	102	5.5	78	4.2	19	1.0	1 842	100.0	
ICAO	77	20.6	18	4.8	-	-	11	2.9	49	13.1	53	14.1	167	44.5	-	-	375	100.0	
UPU	12	12.6	4	4.2	-	-	56	59.0	10	10.5	11	11.6	2	2.1	-	-	95	100.0	
ITU	57	16.3	35	10.0	-	-	179	51.3	38	10.9	33	9.5	7	2.0	-	-	349	100.0	
WMO	36	17.7	14	6.9	-	-	106	52.2	28	13.8	10	4.4	9	-	-	-	203	100.0	
IMCO	1	1.9	5	9.3	1	1.9	43	79.5	4	7.4	-	-	-	-	-	-	54	100.0	
LAEA	11	2.7	6	1.6	-	-	339	92.7	5	1.4	4	1.1	2	0.5	-	-	367	100.0	
GATT	6	4.1	-	-	-	-	141	94.6	-	-	2	1.3	-	-	-	-	149	100.0	
Sub-total	2 712	25.6	1 351	12.8	73	0.7	4 149	39.2	1 041	9.8	839	7.9	385	3.6	26	0.2	10 576	100.0	
TOTAL	3 581	22.7	1 841	11.7	94	0.6	5 104	32.2	1 512	9.6	1 113	7.0	2 454	15.5	104	0.7	15 803	100.0	

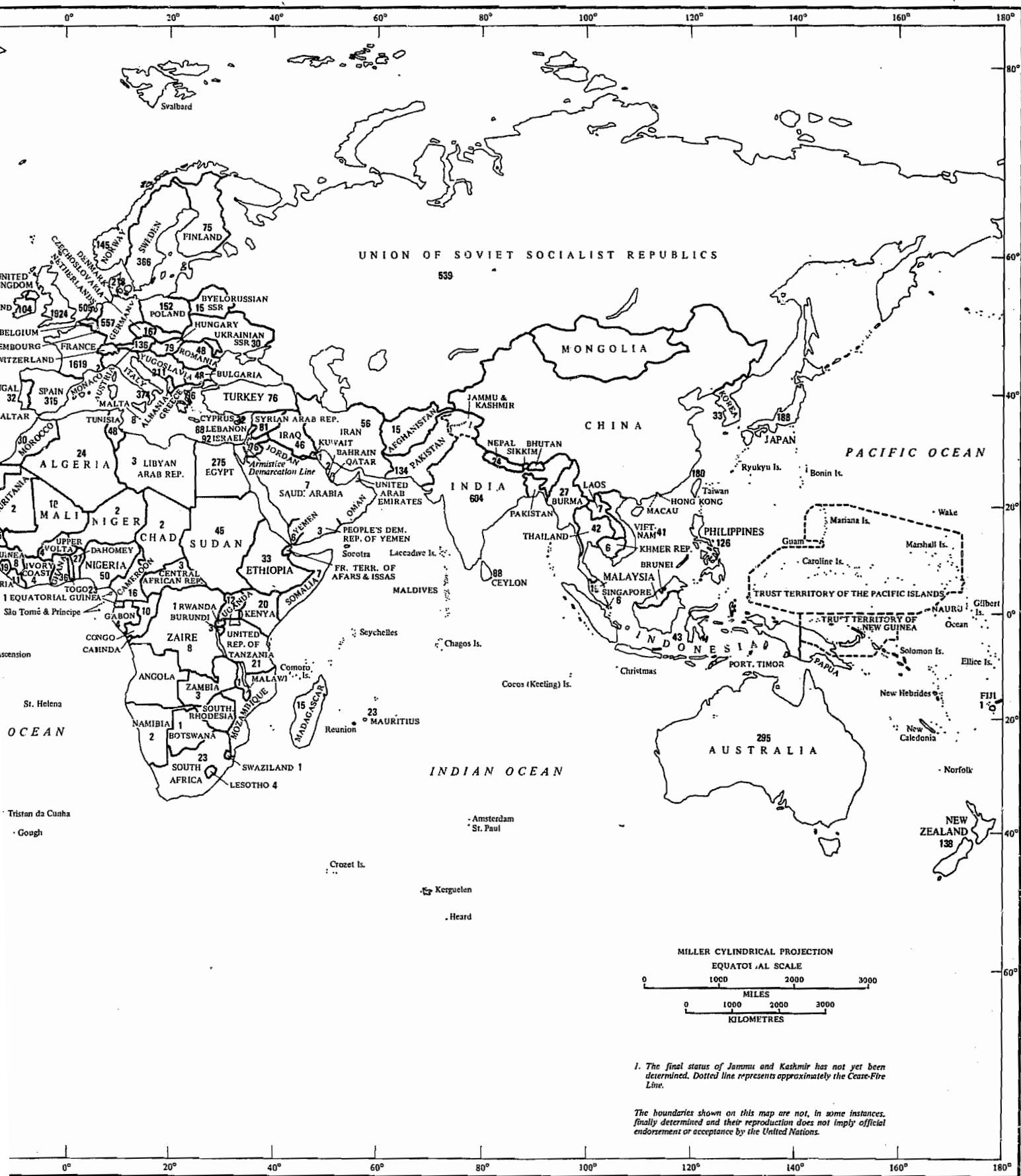
^a/ Includes staff members on travel status not assigned to a particular country or region; for FAO such staff are classified as interregional personnel.

Diagram 3

DISPERSION OF REGULAR AND PROJECT STAFF IN THE PROFESSIONAL
AND HIGHER CATEGORIES BY REGION OF ASSIGNMENT







UNION OF SOVIET SOCIALIST REPUBLICS

539

MONGOLIA

CHINA

PACIFIC OCEAN

INDIA

604

PHILIPPINES

126

AUSTRALIA

295

INDIAN OCEAN

MILLER CYLINDRICAL PROJECTION

EQUATORIAL SCALE



0 1000 2000 3000

MILES

0 1000 2000 3000

KILOMETRES

1. The final status of Jammu and Kashmir has not yet been determined. Dotted line represents approximately the Cease-Fire Line.

The boundaries shown on this map are not, in some instances, finally determined and their reproduction does not imply official endorsement or acceptance by the United Nations.

REGULAR AND PROJECT STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY ORGANIZATION AND REGION OF COUNTRY OF NATIONALITY

ORGANIZATION	REGION OF COUNTRY OF NATIONALITY														Total				
	Africa		Asia and Far East		Europe, Eastern		Europe, Western		Latin America		Middle East		N. America and Caribbean		Stateless		No.	Per cent	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent			
United Nations and related programmes																			
UNITED NATIONS	308	7.2	645	15.2	537	12.6	1 393	32.9	448	10.5	149	3.5	761	17.9	7	0.2	4 248	100.0	
UNDP	27	4.9	78	14.3	26	4.8	215	39.3	38	6.9	34	6.2	127	23.2	2	0.4	547	100.0	
UNHCR	9	8.3	10	9.2	-	-	70	64.1	3	2.8	8	7.3	9	8.3	-	-	109	100.0	
UNICEF	13	5.9	28	12.8	9	4.1	80	36.6	18	8.2	6	2.7	65	23.7	-	-	219	100.0	
UNITAR	5	16.7	2	6.7	1	3.3	10	33.2	2	6.7	2	6.7	8	26.7	-	-	30	100.0	
UNRWA	1	1.4	11	14.9	-	-	53	71.5	-	-	1	1.4	8	10.8	-	-	74	100.0	
Sub-total	363	6.9	774	14.8	573	11.0	1 821	34.9	509	9.7	200	3.8	978	18.7	9	0.2	5 227	100.0	
Specialized Agencies, IAEA and GATT																			
ILO	75	4.5	159	9.6	106	6.4	976	58.9	98	5.9	48	2.9	193	11.6	3	0.2	1 658	100.0	
FAO	149	4.0	458	12.4	152	4.1	2 150	58.5	213	5.8	138	3.7	417	11.3	7	0.2	3 684	100.0	
UNESCO	110	6.2	194	10.9	165	9.3	902	50.9	148	8.3	70	3.9	181	10.2	5	0.3	1 775	100.0	
WHO	117	6.4	241	13.1	162	8.8	767	41.5	191	10.4	92	5.0	271	14.7	1	0.1	1 842	100.0	
ICAO	6	1.6	53	14.1	7	1.9	183	48.8	32	8.5	7	1.9	87	23.2	-	-	375	100.0	
UFU	10	10.5	11	11.6	4	4.2	57	60.0	6	6.3	4	4.2	3	3.2	-	-	95	100.0	
ITU	7	2.0	61	17.5	19	5.4	213	61.1	21	6.0	8	2.3	20	5.7	-	-	349	100.0	
WMO	8	3.9	29	14.3	34	16.7	97	47.8	17	8.4	3	1.5	15	7.4	-	-	203	100.0	
IMCO	2	3.7	8	14.8	7	13.0	29	53.6	2	3.7	1	1.9	5	9.3	-	-	54	100.0	
IAEA	16	4.4	38	10.4	58	15.8	164	44.6	13	3.5	9	2.5	68	18.5	1	0.3	367	100.0	
GATT/ITC	5	7.0	6	8.5	2	2.8	48	67.7	2	2.8	1	1.4	5	7.0	2	2.8	71	100.0	
Sub-total	505	4.8	1 258	12.0	716	6.8	5 586	53.4	743	7.1	381	3.6	1 265	12.1	19	0.2	10 473	100.0	
TOTAL	868	5.5	2 032	12.9	1 289	8.2	7 407	47.2	1 252	8.0	581	3.7	2 243	14.3	28	0.2	15 700	100.0	

a/ Includes only International Trade Centre (ITC) staff; no nationality breakdown was received for 78 GATT staff members.

Diagram 5

GEOGRAPHICAL DISTRIBUTION OF REGULAR AND PROJECT STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY REGION OF COUNTRY OF NATIONALITY

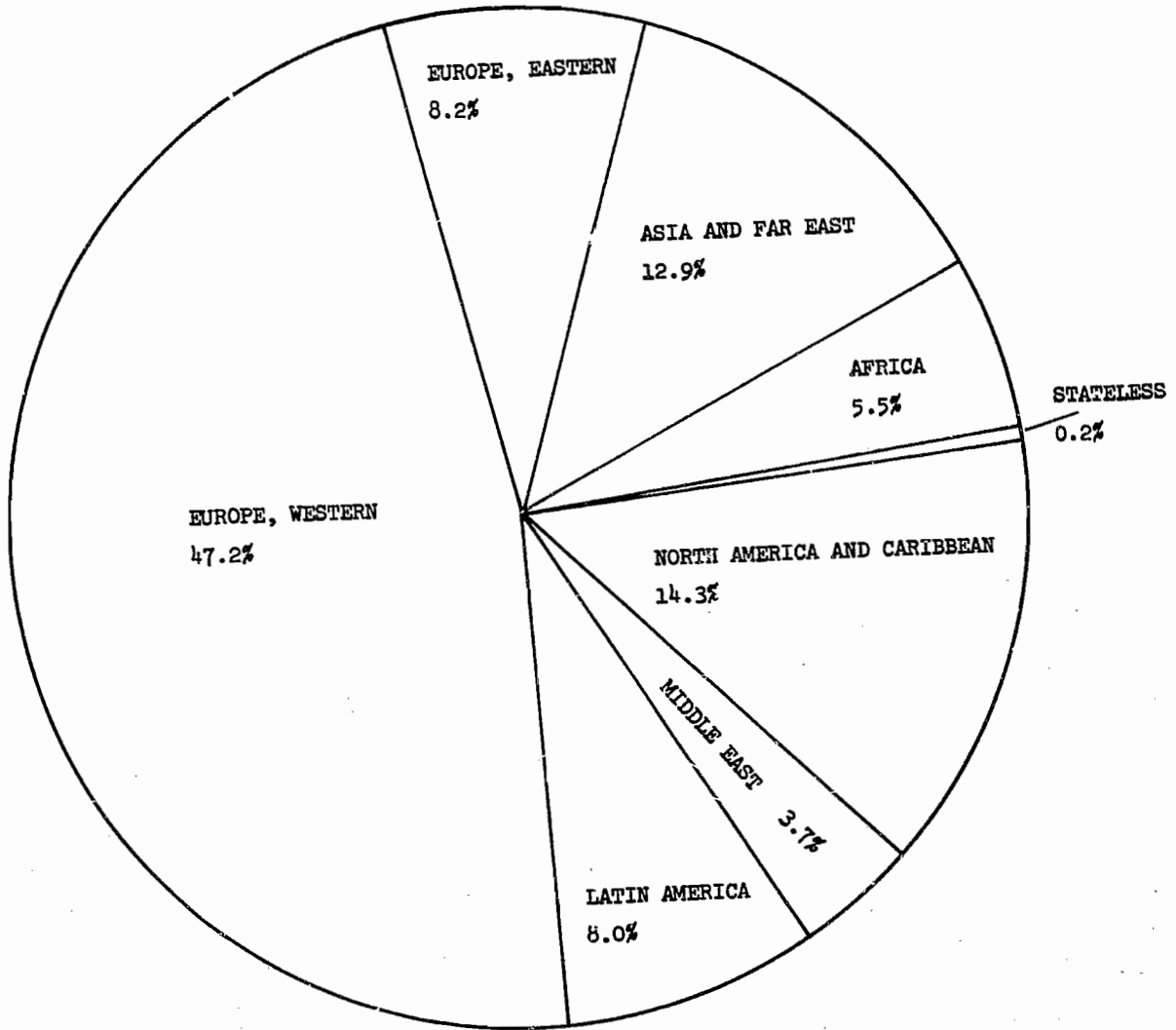


Table 4

REGULAR STAFF IN HEADQUARTERS COUNTRIES

Country	Professional and above		General Service		Total	
	Number	% of Total	Number	% of Total	Number	% of Total
Austria	614	8.6	1 149 ^{a/}	9.7	1 763	9.3
Canada	166	2.3	323	2.7	489	2.6
France	776	10.9	1 357	11.4	2 133	11.2
Italy	1 242	17.4	2 192	18.4	3 434	18.0
Switzerland	2 203	30.8	3 481	29.2	5 684	29.8
United Kingdom	46	0.6	89	0.7	135	0.7
United States of America	2 100	29.4	3 312 ^{b/}	27.9	5 412	28.4
TOTAL	7 147	100.0	11 903	100.0	19 050	100.0
Number of staff at all duty stations	8 796		17 724 ^{c/}		26 520	
Percentage in Headquarters countries	81.3		67.2		71.8	

a/ Includes 102 Manual service and 27 Security Service staff at UNIDO, Vienna.

b/ Includes 212 Manual Service and 202 Security Service staff in New York.

c/ Includes National Officers and Field Service level staff of UNICEF and UNDP. Manual Service and Security Service staff in Vienna and New York and 295 United Nations Field Service staff.

Table 6

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY ORGANIZATION AND GRADE AS OF 31 AUGUST 1971

ORGANIZATION	Ungraded		D-2		D-1		P-5		P-4		P-3		P-2		P-1		Total		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
United Nations and Related Programmes																			
UNITED NATIONS																			
UNDP	29	1.0	67	2.2	203	6.7	419	13.9	754	25.0	846	27.9	574	19.0	129	4.3	3 021	100.0	
UNHCR	7	1.5	35	7.3	70	14.6	73	15.2	115	24.0	87	18.2	75	15.7	17	3.5	479	100.0	
UNICEF	1	1.0	2	1.9	6	5.7	22	21.0	29	27.6	20	19.0	18	17.1	7	6.7	105	100.0	
UNITAR	1	0.5	12	5.9	14	6.8	44	21.5	65	31.7	49	23.8	17	8.3	3	1.5	205	100.0	
UNRWA	1	4.3	2	8.7	3	13.0	5	21.8	3	13.0	6	26.2	2	8.7	1	4.3	23	100.0	
	1	1.4	1	1.4	6	8.1	12	16.2	29	39.1	21	28.4	4	5.4	-	-	74	100.0	
Sub-total	40	1.0	119	3.0	302	7.7	575	14.7	995	25.6	1 029	26.3	690	17.7	157	4.0	3 907	100.0	
Specialized Agencies, IAEA and GATT																			
ILO	9	1.2	15	2.0	43	5.8	87	11.6	158	21.2	171 ^{a/}	22.9	171 ^{a/}	22.9	93	12.4	747	100.0	
FAO ^{b/}	14	1.0	31	2.2	95	6.8	254	18.2	421	30.3	249	17.8	230	16.5	101	7.2	1 395	100.0	
UNESCO	8	1.0	19	2.3	51	6.1	215	25.8	257	30.9	152	18.3	93	11.2	37	4.4	832	100.0	
WHO ^{c/}	12	1.5	25	3.0	55	6.7	199	24.3	238	29.0	131	16.0	115	14.0	45	5.5	820	100.0	
ICAO	-	0.0	4	1.8	6	2.7	27	12.3	90	41.1	61	27.9	29	13.2	2	1.0	219	100.0	
UFU	2	3.6	2	3.6	2	3.6	6	10.7	7	12.5	16	28.6	18	32.0	3	5.4	56	100.0	
ITU	9	5.1	-	-	8	4.5	11	6.2	35	19.8	74	41.8	27	15.3	13	7.3	177	100.0	
WMO	2	1.9	-	-	5	4.7	11	10.4	26	24.5	20	18.9	25	23.5	17	16.1	106	100.0	
IMCO	2	4.8	-	-	1	2.4	6	14.3	11	26.2	14	33.3	5	11.9	3	7.1	42	100.0	
IAEA	5	1.5	5	1.5	13	3.8	76	22.3	104	30.5	78	22.9	39	11.4	21	6.1	341	100.0	
GATT	-	-	5	4.3	11	9.4	14	12.0	24	20.5	28	23.9	30	25.6	5	4.3	117	100.0	
Sub-total	63	1.3	106	2.2	290	6.0	906	18.7	1 371	28.2	994	20.5	782	16.1	340	7.0	4 852	100.0	
TOTAL	103	1.2	225	2.5	592	6.8	1 481	16.9	2 366	27.2	2 023	23.1	1 472	16.8	497	5.7	8 759	100.0	

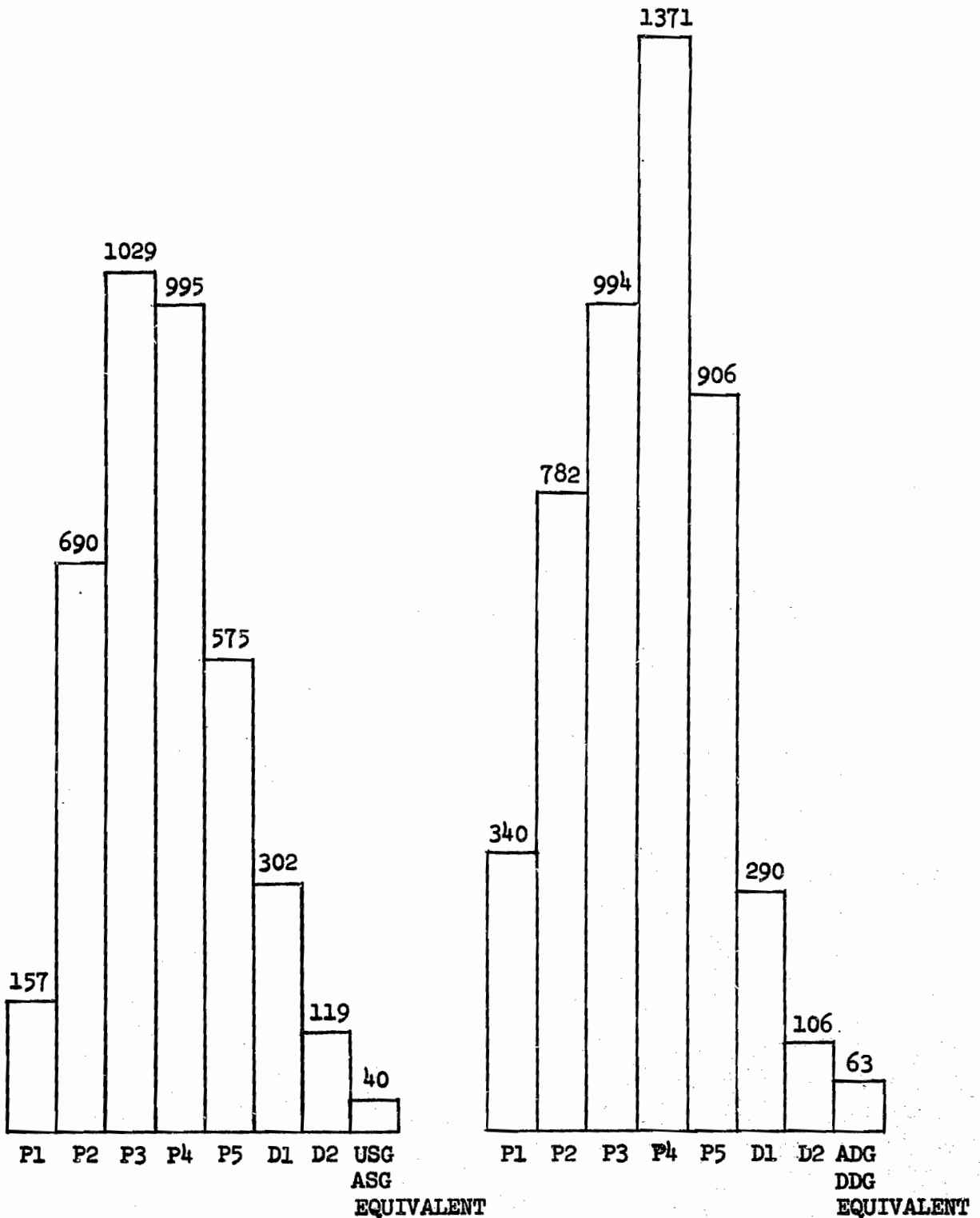
a/ In ILO the grades P-2 and P-3 are combined into one grade, P-2/P-3. Since total figures are given for grades P-2 and P-3 separately, the ILO data for the P-2/P-3 grade has been evenly distributed between these two grades.

b/ Excludes the 34 associate experts or other staff not assigned a specific grade.

c/ WHO uses a P-6 grade which corresponds to the D-1 salary level; staff at this grade are included in the D-1 figures.

Diagram 6

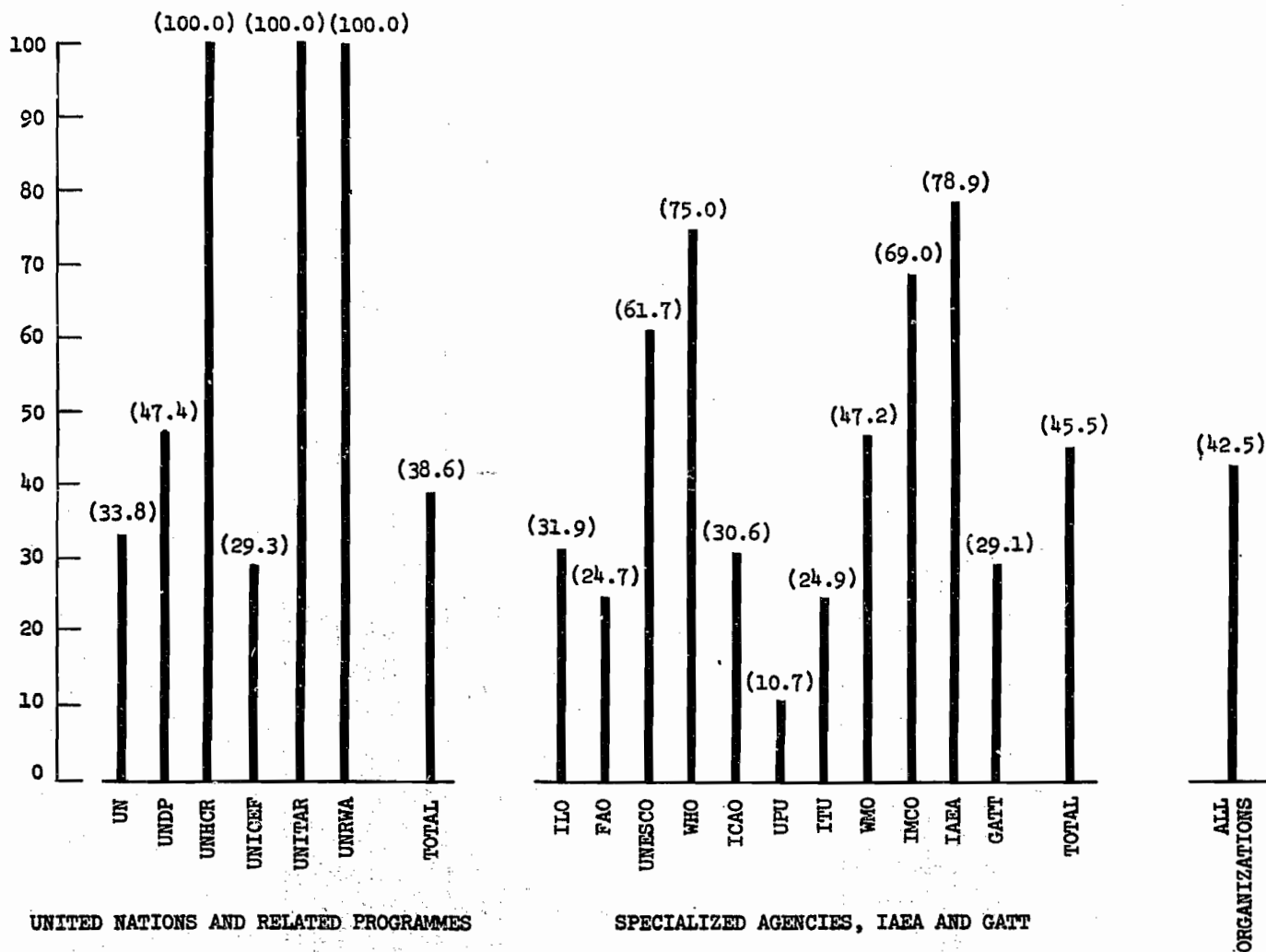
DISTRIBUTION OF REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY GRADE



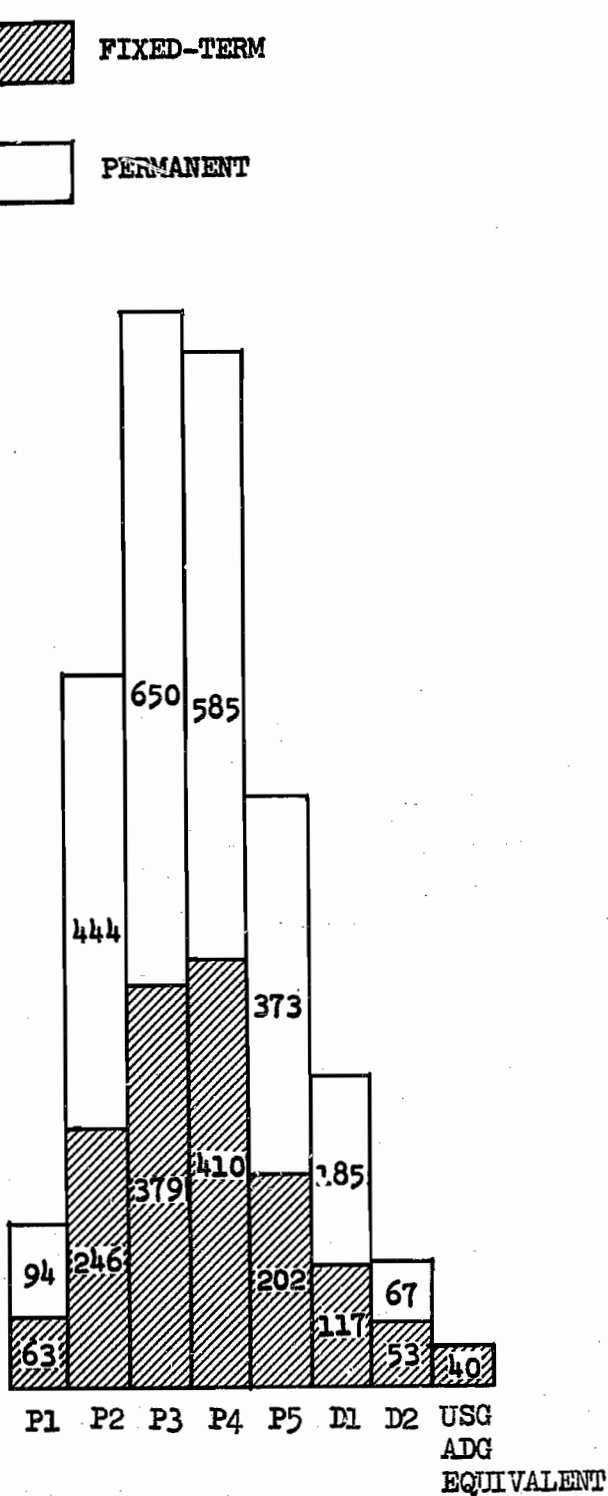
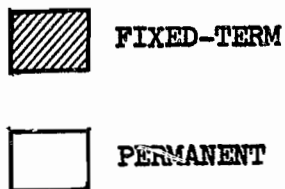
UNITED NATIONS AND RELATED PROGRAMMES SPECIALIZED AGENCIES, IAEA AND GATT

Diagram 7

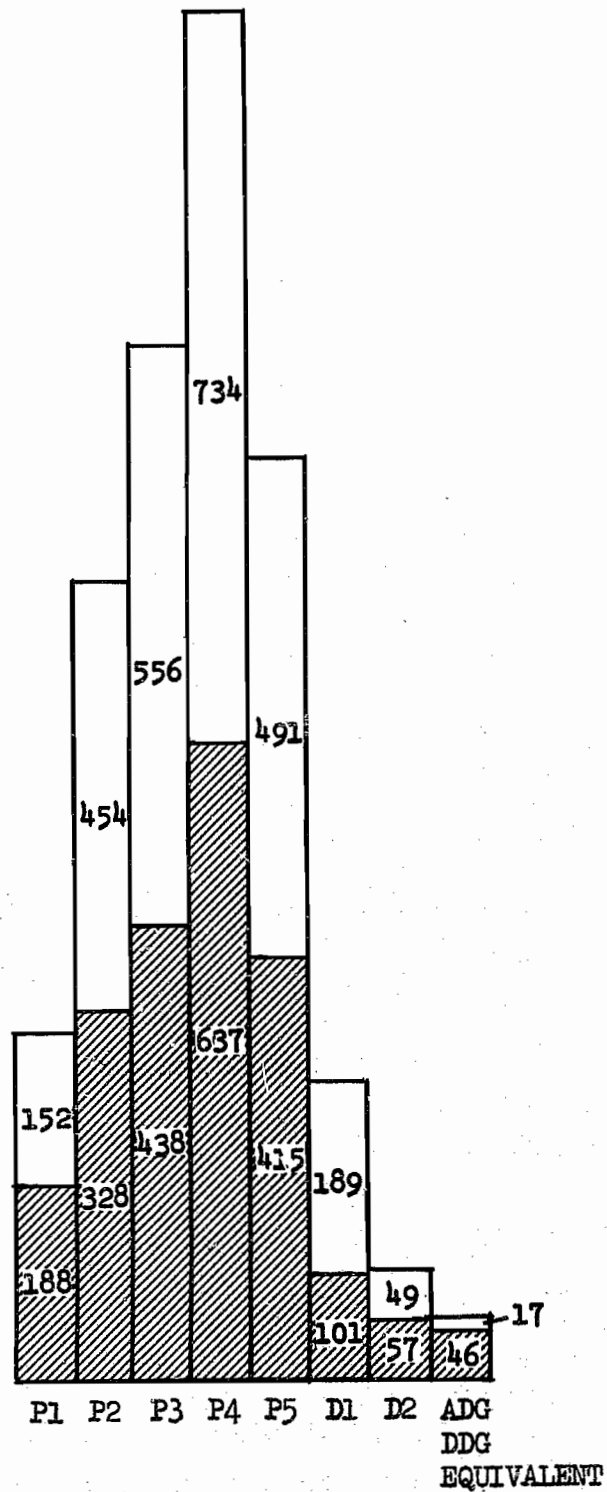
PERCENTAGE OF REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES ON FIXED-TERM APPOINTMENT BY ORGANIZATION



REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
BY GRADE AND TYPE OF APPOINTMENT



UNITED NATIONS AND RELATED PROGRAMMES



SPECIALIZED AGENCIES, IAEA AND GATT

Table 7

**REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
BY ORGANIZATION AND EXPATRIATE STATUS**

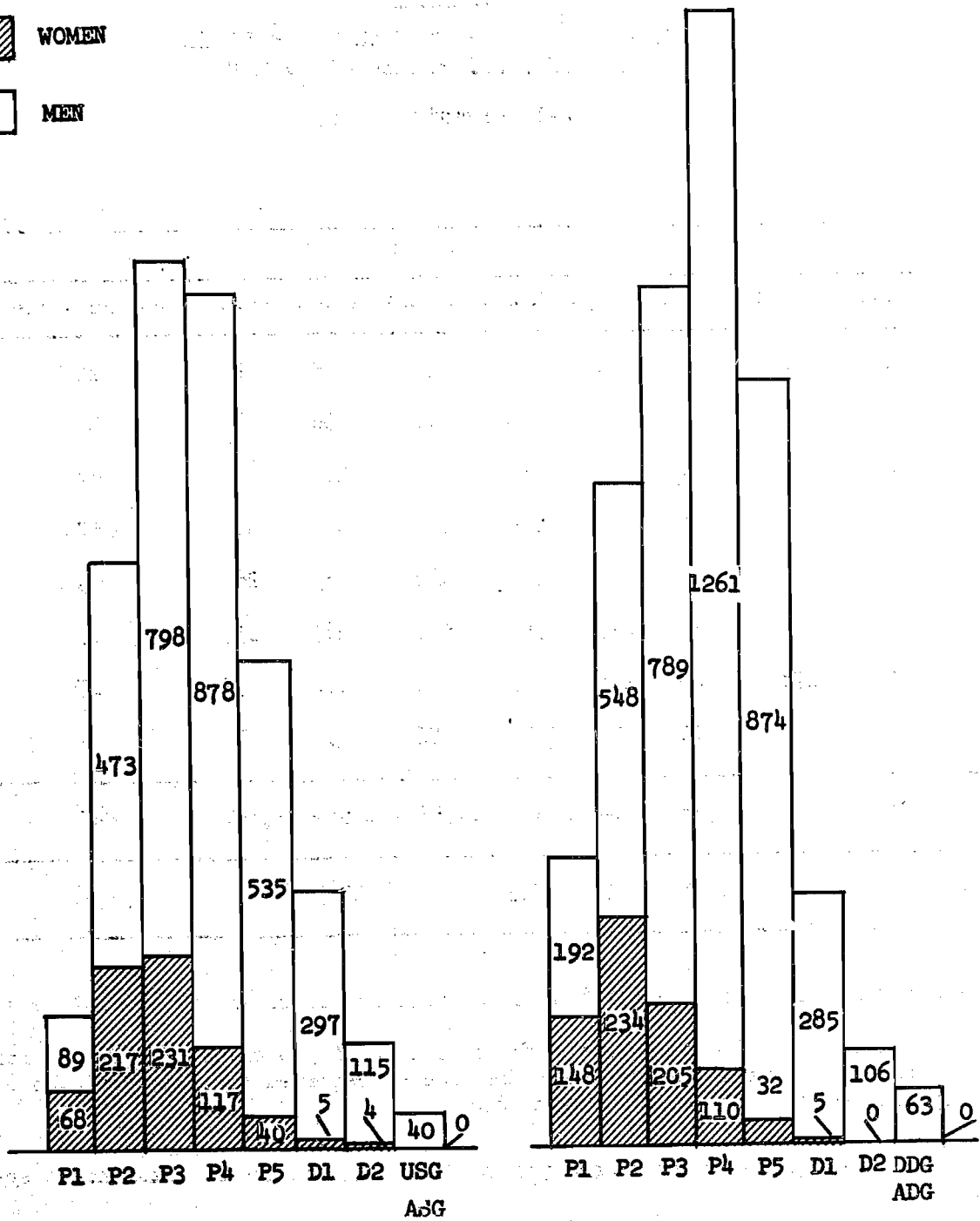
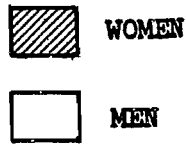
ORGANIZATION	EXPATRIATES ^{a/}	NON-EXPATRIATES	TOTAL	% EXPATRIATES
United Nations and Related Programmes				
UNITED NATIONS	2 500	521	3 021	82.8
UNDP	428	51	479	89.4
UNHCR	90	15	105	85.7
UNICEF	159	46	205	77.6
UNITAR	18	5	23	78.3
UNRWA	73	1	74	98.6
Sub-total	3 268	639	3 907	83.6
Specialized Agencies, IAEA and GATT				
ILO	696	51	747	93.2
FAO ^{b/}	1 326	103	1 429	92.8
UNESCO	729	103	832	87.6
WHO	752	68	820	91.7
ICAO	181	38	219	82.6
UPU	39	17	56	69.6
ITU	147	30	177	83.1
WMO	91	15	106	85.8
IMCO	37	5	42	88.1
IAEA	320	21	341	93.8
GATT	101	16	117	86.3
Sub-total	4 419	467	4 886	90.4
GRAND TOTAL	7 687	1 106	8 793	87.4

a/ Expatriate staff refers to staff serving outside the country of which they are recognized nationals.

b/ Includes 34 associate experts or other staff not assigned a specific grade.

Diagram 9

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES BY GRADE AND SEX



UNITED NATIONS AND RELATED PROGRAMMES

SPECIALIZED AGENCIES, IAEA AND GATT

Table 9

AGE DISTRIBUTION OF REGULAR STAFF IN THE
PROFESSIONAL AND HIGHER CATEGORIES

(All organizations)

GRADE	AGE GROUP									Total
	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60 and above	
UNGRADED	-	-	-	6	6	12	25	29	25	103
D-2	-	-	-	-	6	38	66	87	28	225
D-1 ^{a/}	-	1	-	9	52	140	161	185	44	592
P-5	-	-	8	74	240	389	400	313	57	1,481
P-4	-	6	97	314	595	562	463	280	49	2,366
P-3 ^{b/}	2	56	354	455	358	353	263	157	25	2,023
P-2 ^{b/}	7	178	365	248	205	202	158	92	17	1,472
P-1	19	135	101	78	52	56	33	19	4	497
TOTAL ^{c/}	28	376	925	1,184	1,514	1,752	1,569	1,162	249	8,759
PERCENTAGE	0.3	4.3	10.5	13.5	17.3	20.0	17.9	13.3	2.9	100.0

^{a/} Includes WHO staff with grade P-6 which corresponds in salary to the D-1 level.

^{b/} In ILO the grades P-2 and P-3 are combined into a single grade, P-2/P-3. For the purposes of this aggregate table the figures reported for that grade have been evenly distributed between the two grades.

^{c/} Excludes 34 associate experts or other staff at FAO who are not assigned a specific grade.

Diagram 10

AGE DISTRIBUTION OF REGULAR STAFF IN THE PROFESSIONAL
AND HIGHER CATEGORIES

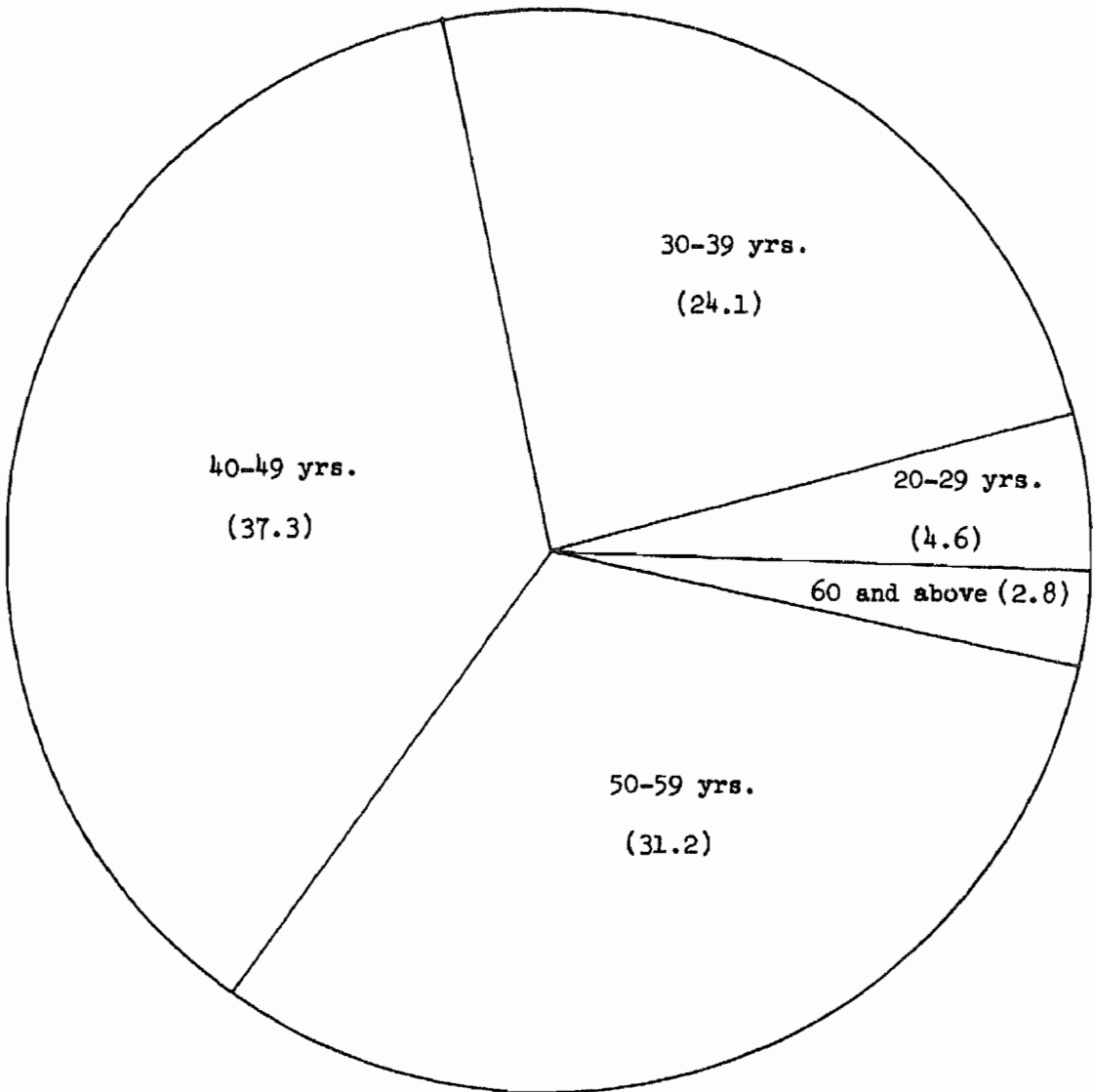
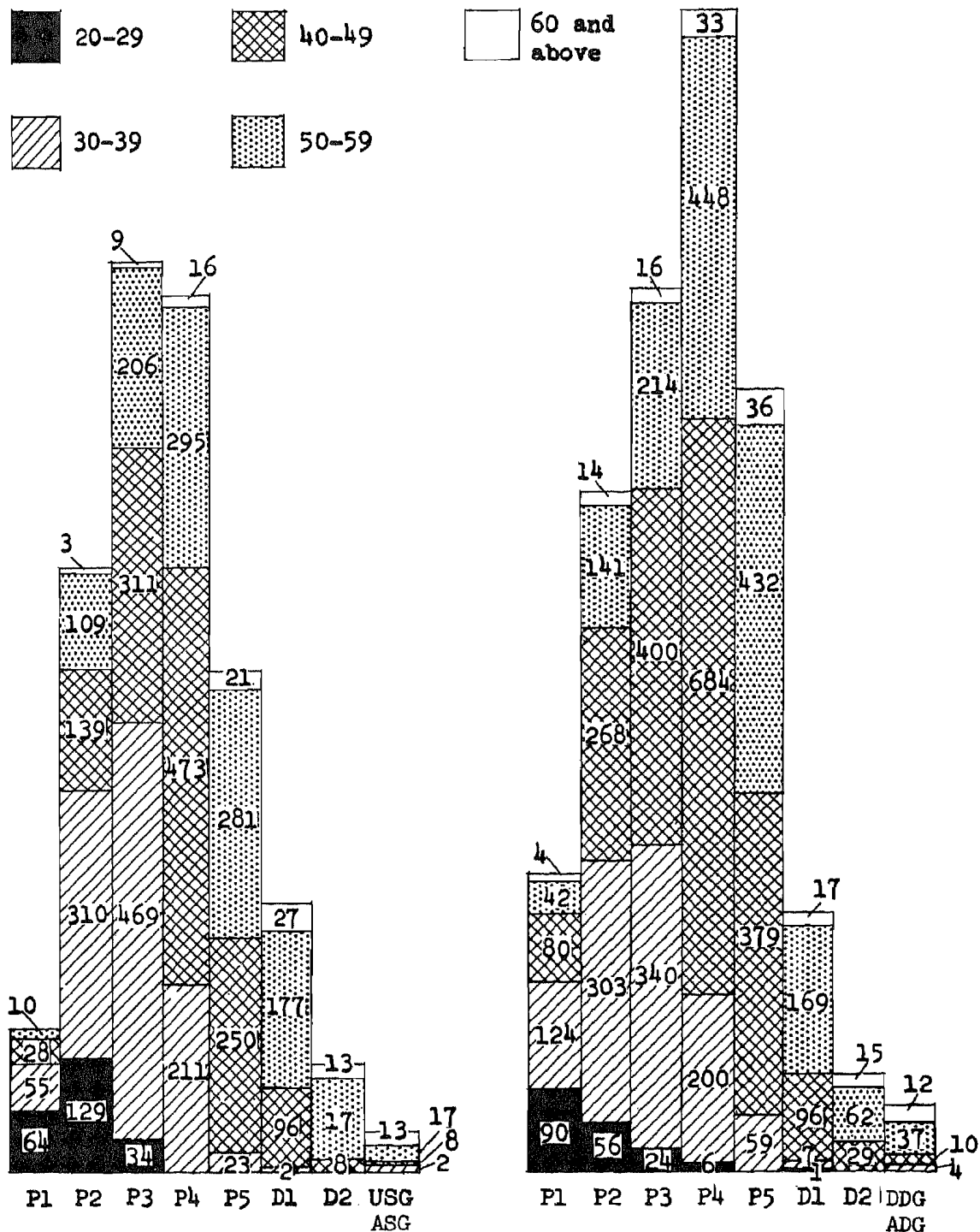


Diagram 11

AGE DISTRIBUTION BY GRADE OF REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES



UNITED NATIONS AND RELATED PROGRAMMES

SPECIALIZED AGENCIES, IAEA AND GATT

Table 10
DISTRIBUTION BY YEARS OF SERVICE OF REGULAR STAFF IN THE
PROFESSIONAL AND HIGHER CATEGORIES
(All organizations)

GRADE	YEARS OF SERVICE						Total
	0 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 or more	
Ungraded	51	17	11	10	13	2	103
D-2	78	38	18	25	64	2	225
D-1 ^{a/}	172	120	59	70	167	4	592
P-5	476	327	226	201	247	4	1,481
P-4	994	596	301	213	259	3	2,366
P-3 ^{b/}	1,076	401	186	151	205	4	2,023
P-2 ^{b/}	832	193	128	129	188	2	1,472
P-1	280	85	58	38	36	-	497
Total ^{c/}	3,959	1,776	987	837	1,179	21	8,759
Percentage	45.2	20.3	11.3	9.6	13.4	0.2	100.0

^{a/} Includes WHO staff with grade P-6 which corresponds in salary to the D-1 level

^{b/} In ILO the grades P-2 and P-3 are combined into a single grade, P-2/P-3. For the purposes of this aggregate table the figures reported for that grade have been evenly distributed between the two grades.

^{c/} Excludes 34 associate experts or other staff at FAO who are not assigned a specific grade.

Diagram 12

PERCENTAGE DISTRIBUTION BY YEARS OF SERVICE OF REGULAR
STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

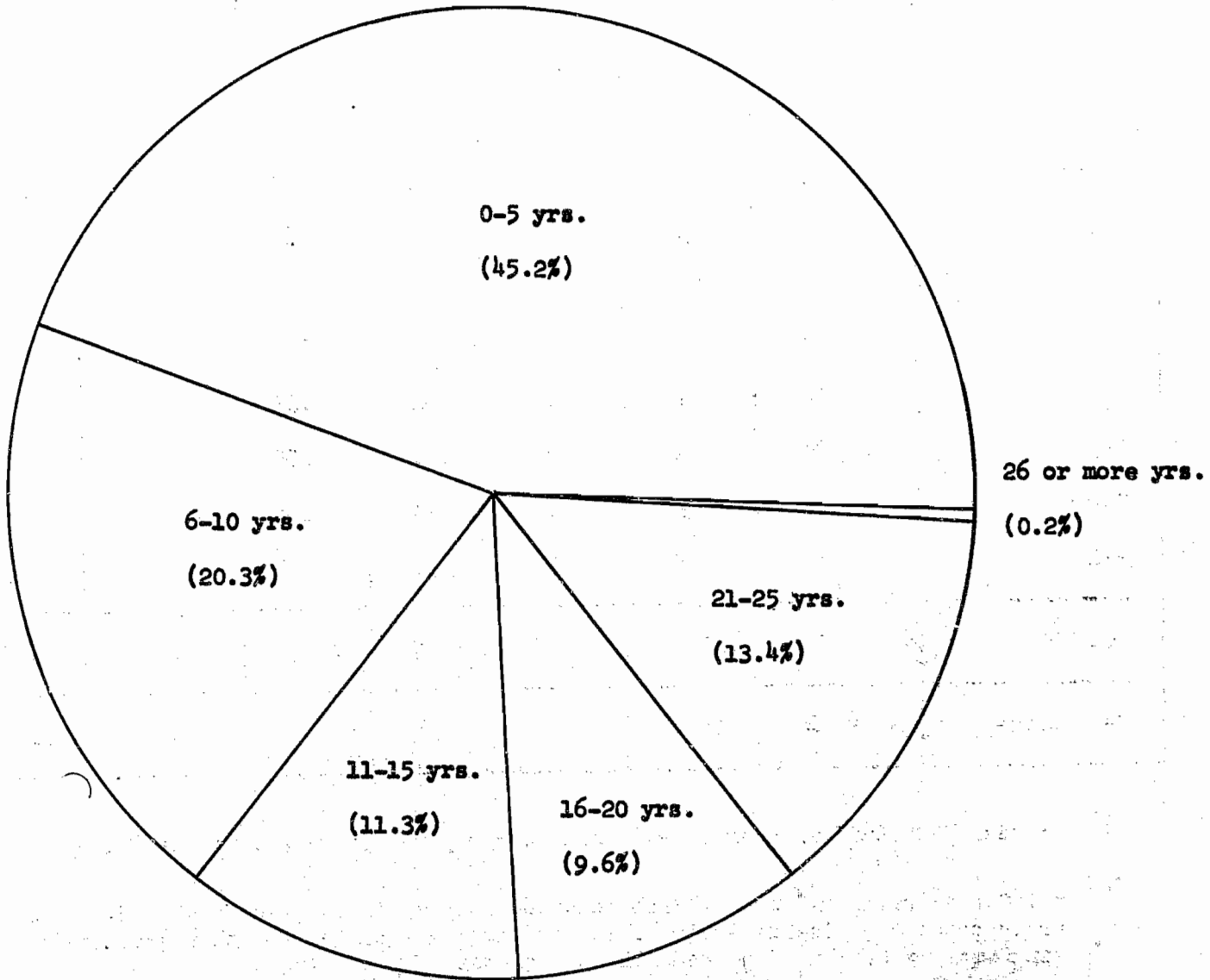
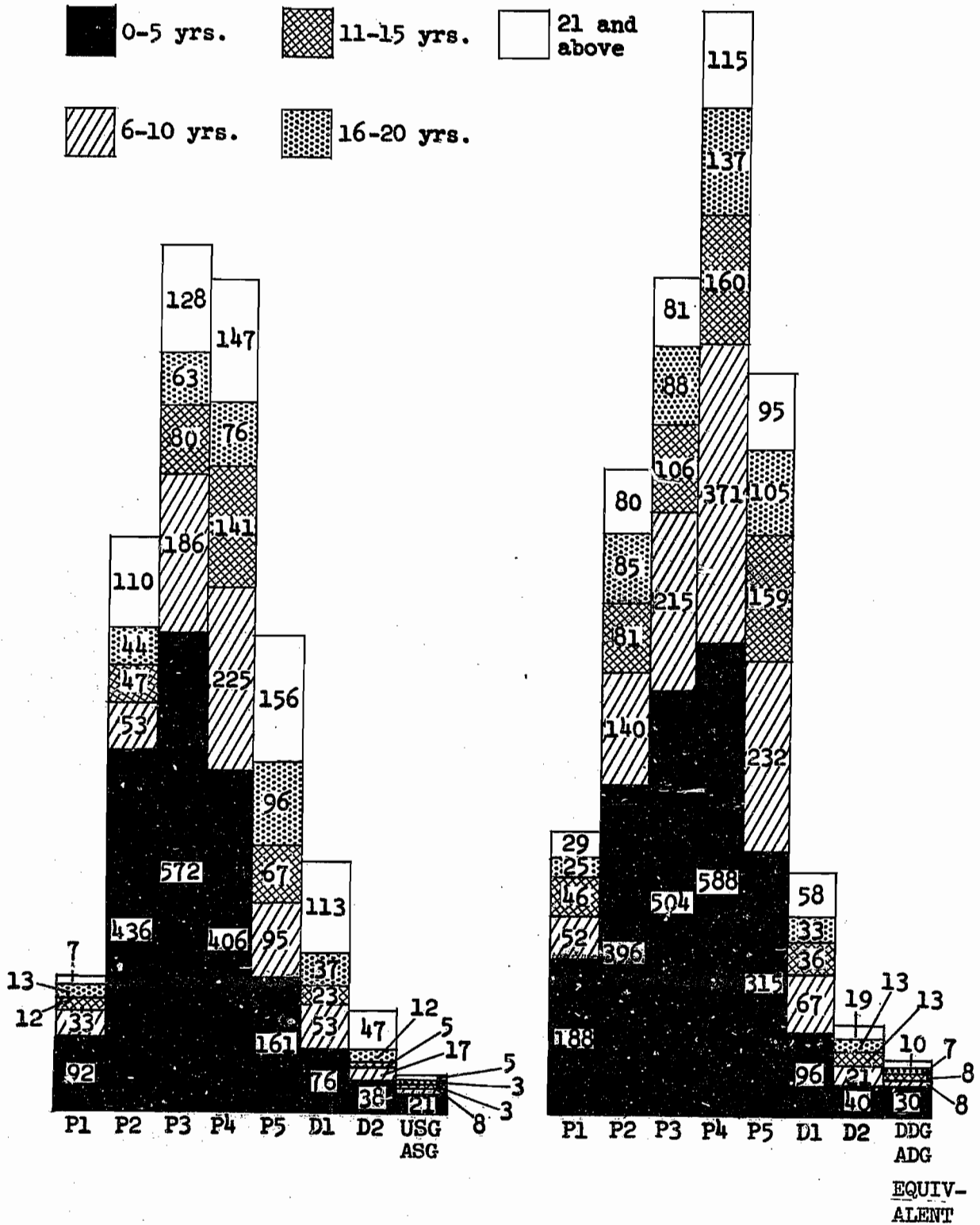


Diagram 13

DISTRIBUTION BY GRADE AND LENGTH OF SERVICE OF REGULAR STAFF
IN THE PROFESSIONAL AND HIGHER CATEGORIES



UNITED NATIONS AND
RELATED PROGRAMMES

SPECIALIZED AGENCIES, IAEA
AND GATT

Table 11

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
BY OCCUPATIONAL GROUP AND GRADE

(All organizations)

OCCUPATIONAL GROUP	GRADE GROUP			
	P-1	P-2 - P-5	D-1 - D-2	TOTAL
Accountants and Auditors	26	232	15	273
Administrative Officers	177	1938	288	2403
Animal Production and Health Officers	-	35	3	38
Co-operative Specialists	-	13	-	13
Economists	40	536	87	663
Educationists	10	213	19	242
Engineers	14	259	24	297
Fishery Officers	-	52	3	55
Forestry Officers	3	39	3	45
Information Officers	18	356	30	404
Language Officers	29	1118	26	1173
Legal Officers	2	141	22	165
Librarians	23	144	5	172
Manpower Planning Specialists	2	23	3	28
Medical non-Specialists	-	2	20	22
Medical Specialists	1	217	40	258
Nurses	-	13	-	13
Nutritionists	-	33	3	36
Plant Production and Protection Officers	-	52	4	56
Sanitarians	-	1	-	1
Sociologists and Social Scientists	14	182	22	218
Statisticians	16	188	11	215
Scientists not included elsewhere	9	326	31	366
Vocational Training Specialists	6	60	127	193
Other	92	1017	9	1118
TOTAL	482	7190	795	8467^{a/}

a/ The total differs from that given for regular professional staff because of the omission of 89 ungraded staff and the fact that FAO gives an occupational breakdown for 1204 of its 1381 P-1 to D-2 staff and ILO reports on 727 of its 747 regular professional staff.

Table 12

GENERAL SERVICE STAFF IN HEADQUARTERS CITIES BY ORGANIZATION AND GRADE

ORGANIZATION	G-5		G-4		G-3		G-2		G-1		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
A. NEW YORK												
UNITED NATIONS	308	13.8	781	34.9	906	40.6	205	9.2	33	1.5	2 233	100.0
UNDP	39	11.3	92	26.6	173	50.0	42	12.1	-	-	346	100.0
UNHCR	-	-	2	100.0	-	-	-	-	-	-	2	100.0
UNICEF	29	17.9	51	31.5	70	43.2	12	7.4	-	-	162	100.0
UNITAR	5	16.1	3	9.7	19	61.3	4	12.9	-	-	31	100.0
WHO	4	50.0	3	37.5	1	12.5	-	-	-	-	8	100.0
TOTAL	385	13.8	932	33.5	1 169	42.0	263	9.5	33	1.2	2 782	100.0
B. PARIS												
UNICEF ^{a/}	6	9.4	11	17.2	19	29.7	27	42.1	1	1.6	64	100.0
UNESCO	104	8.8	162	13.7	292	24.7	551	46.7	72	6.1	1 181	100.0
TOTAL	110	8.8	173	13.9	311	25.0	578	46.4	73	5.9	1 245	100.0
C. VIENNA ^{b/}												
UNIDO	12	2.2	72	76	13.7	215	38.9	167	43	7.8	553	100.0
WHO	-	-	-	1	100.0	-	-	-	-	-	1	100.0
IAEA	24	5.2	13.5	114	24.7	177	38.4	79	5	1.1	461	100.0
TOTAL	36	3.6	102	10.1	18.8	392	38.6	246	48	4.7	1 015	100.0

a/ In addition to above figures UNICEF has 9 staff members in Paris classified as National Officers with grades and number of staff as follows: NO-C 2; NO-B 4; NO-A 3.

b/ Jobs normally included in the G-1 and G-2 levels in other organizations are classified in Vienna in the Maintenance and Operatives Services category.

Table 12 (continued)

ORGANIZATION	G-7		G-6		G-5		G-4		G-3		G-2		G-1		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
D. <u>GENEVA</u>																
UNITED NATIONS ^{c/}	50	4.4	125	11.1	193	17.2	271	24.1	291	25.9	154	13.7	41	3.6	1125	100.0
ILO	52	6.5	86	10.8	129	16.1	198	24.8	264	33.0	51	6.4	19	2.4	799	100.0
WHO	70	9.9	83	11.8	103	14.6	228	32.3	171	24.3	50	7.1	-	-	705	100.0
ITU	23	6.9	44	13.3	94	28.5	69	20.8	62	18.7	31	9.4	8	2.4	331	100.0
WMO	2	1.4	11	7.4	25	16.9	55	37.1	39	26.4	12	8.1	4	2.7	148	100.0
GATT	8	7.8	11	10.7	15	14.6	26	25.2	30	29.0	12	11.7	1	1.0	103	100.0
ITC	1	1.7	9	15.3	9	15.3	16	27.1	18	30.4	5	8.5	1	1.7	59	100.0
UPU ^{d/}	2	3.6	6	10.7	10	17.9	8	14.3	22	39.2	6	10.7	2	3.6	56	100.0
TOTAL	208	6.3	375	11.3	578	17.4	871	26.1	897	26.9	321	9.7	76	2.3	3326	100.0
E. <u>ROME</u>																
FAO	46	2.1	159	7.3	379	17.4	528	24.3	611	28.1	278	12.8	173	8.0	2174	100.0

^{c/} Includes UNHCR staff in Geneva.

^{d/} UPU listed under Geneva although located in Berne since it applies the Geneva General Service scales.

Table 12 (continued)

ORGANIZATION	G-8		G-7		G-6		G-5		G-4		G-3		G-2		G-1		TOTAL		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
F. <u>LONDON</u>																			
UNHCR	-	-	-	-	1	50.0	-	-	-	-	1	50.0	-	-	-	-	2	100.0	
IMCO	1	1.4	4	5.6	9	12.5	10	13.9	30	41.6	15	20.8	3	4.2	-	-	72	100.0	
TOTAL	1	1.4	4	5.6	10	13.5	10	13.5	30	40.5	16	21.6	3	4.1	-	-	74	100.0	

ORGANIZATION	G-9		G-8		G-7		G-6		G-5		G-4		G-3		G-2		G-1		TOTAL		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
G. <u>MONTREAL</u>																					
ICAO	9	2.8	8	2.5	21	6.5	35	10.8	55	17.0	96	29.8	72	22.3	15	4.6	12	3.7	323	100.0	

GENERAL SERVICE STAFF IN THE SEVEN HEADQUARTERS CITIES

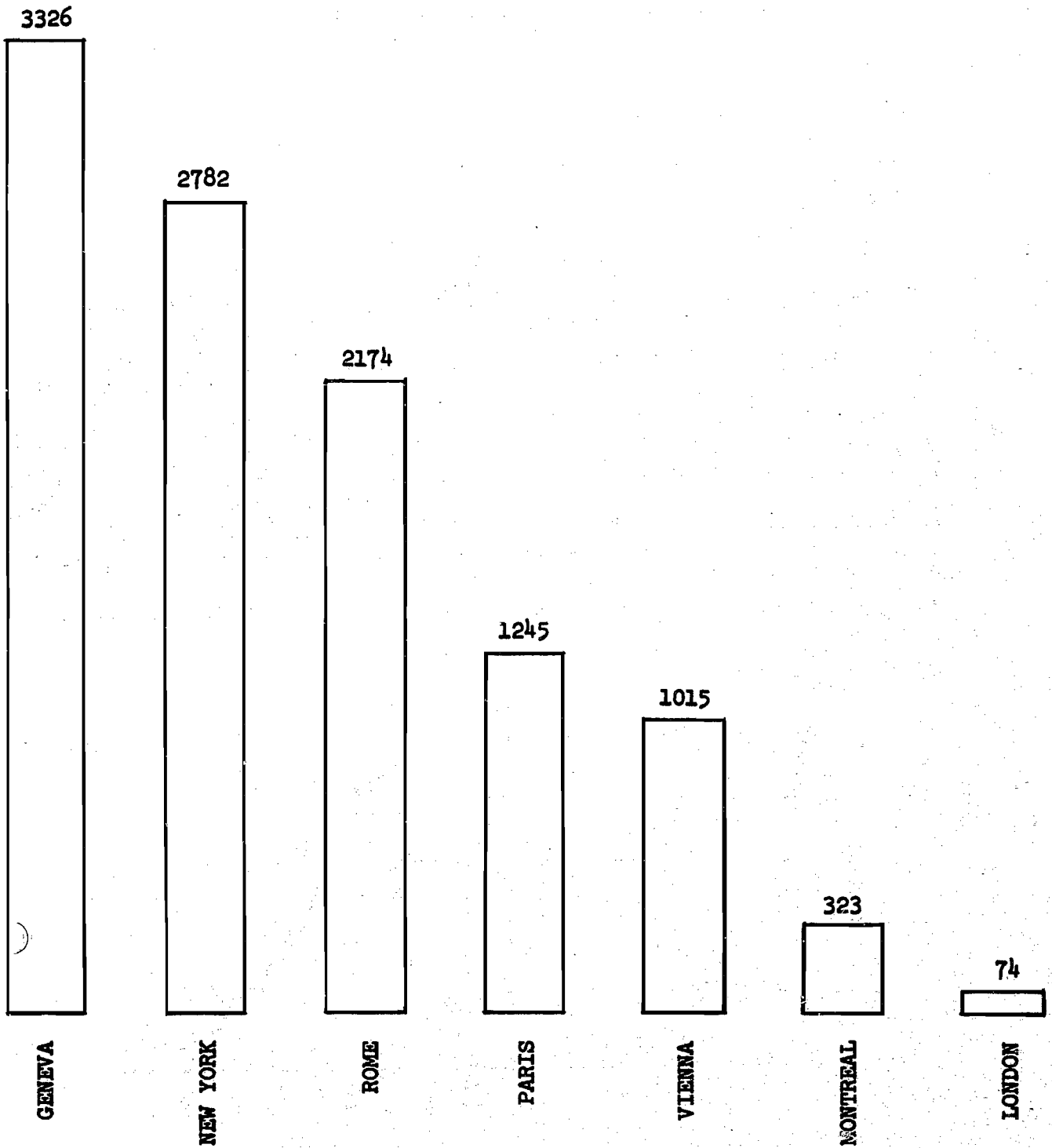


Diagram 15

PERCENTAGE DISTRIBUTION BY GRADE OF GENERAL SERVICE STAFF IN HEADQUARTERS CITIES

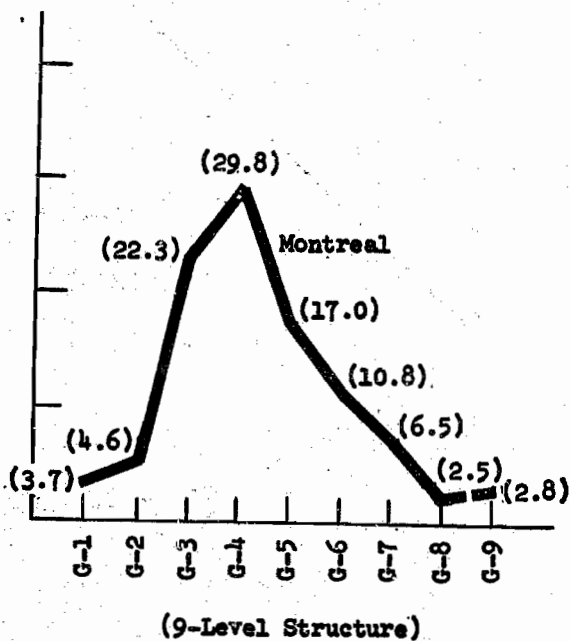
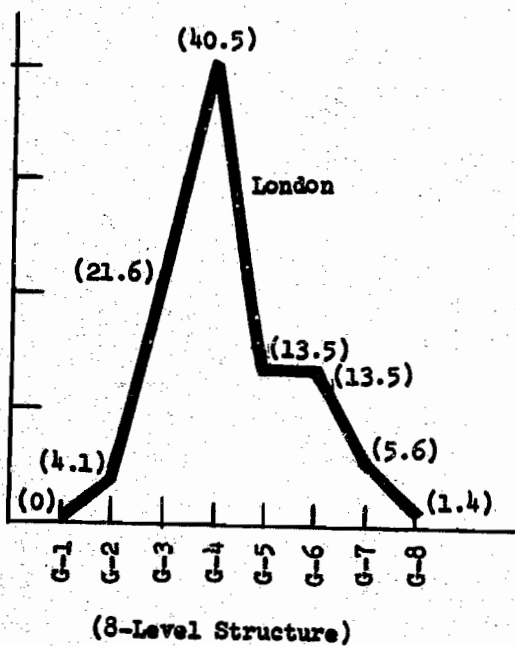
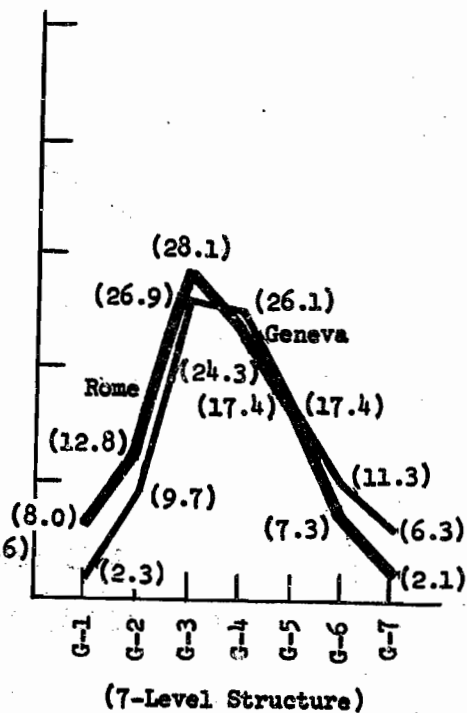
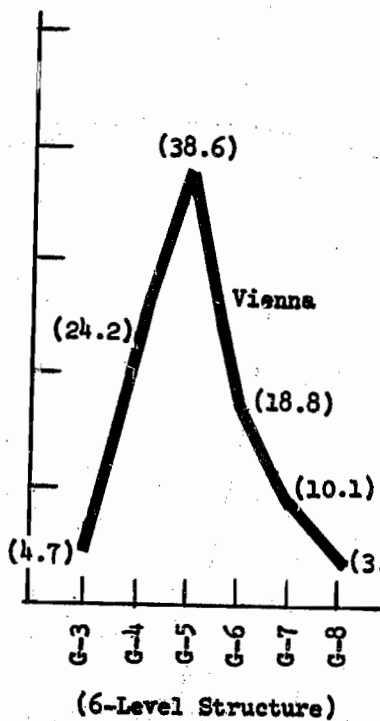
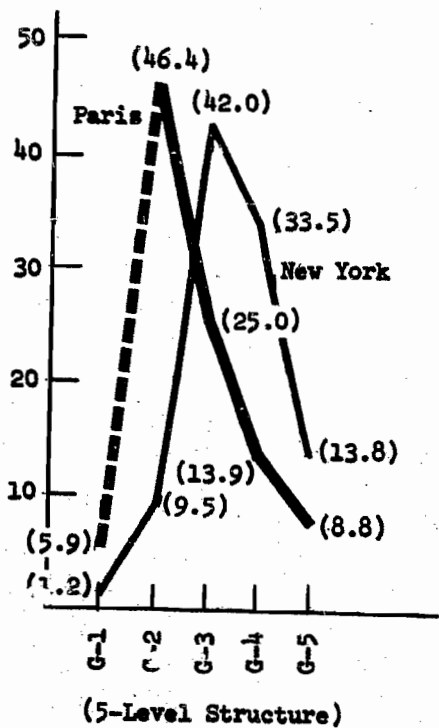


Diagram 16

PERCENTAGE DISTRIBUTION BY AGE OF GENERAL SERVICE STAFF
IN HEADQUARTERS CITIES

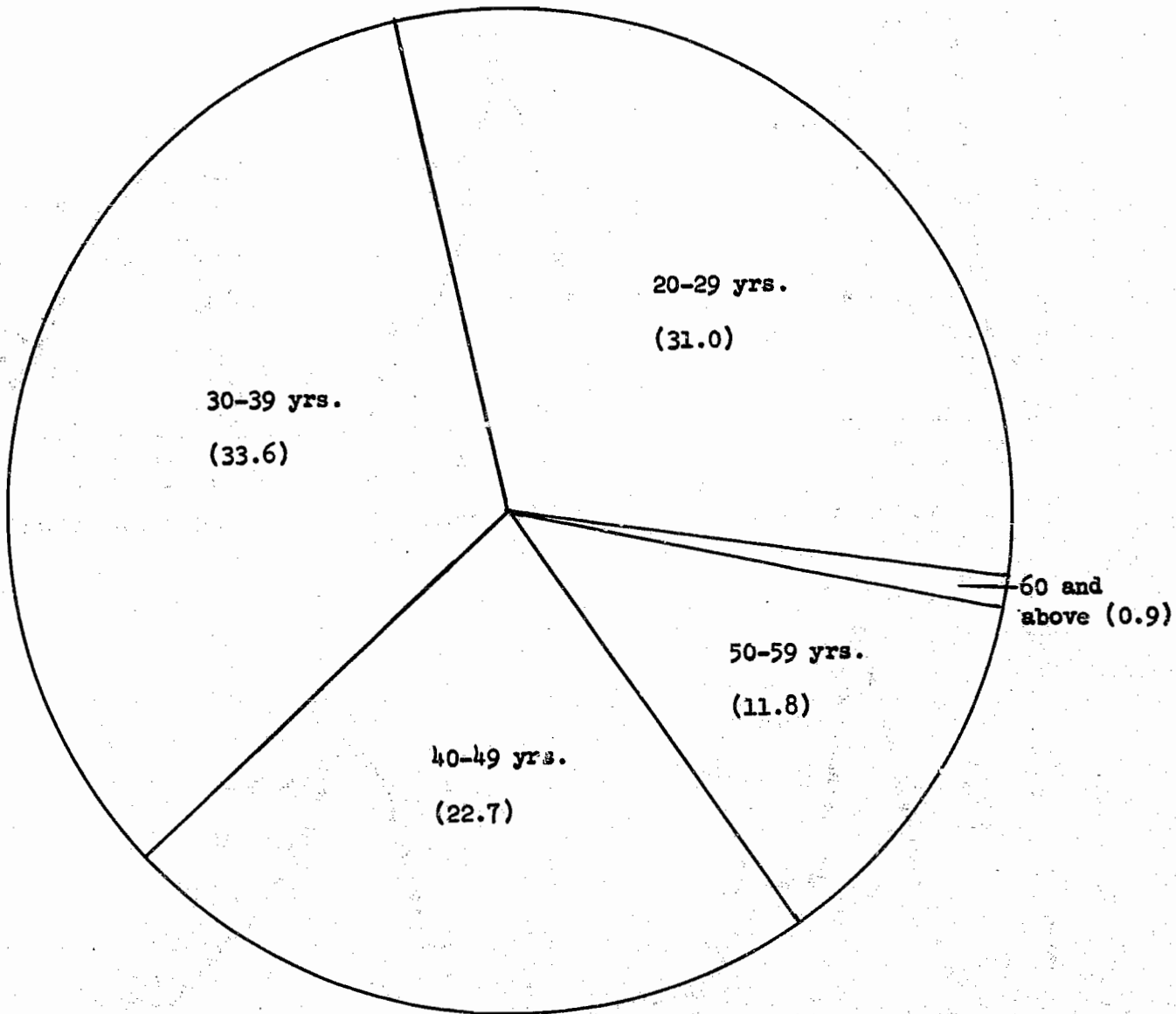


Diagram 17

PERCENTAGE DISTRIBUTION BY LENGTH OF SERVICE OF GENERAL SERVICE
STAFF IN HEADQUARTERS CITIES

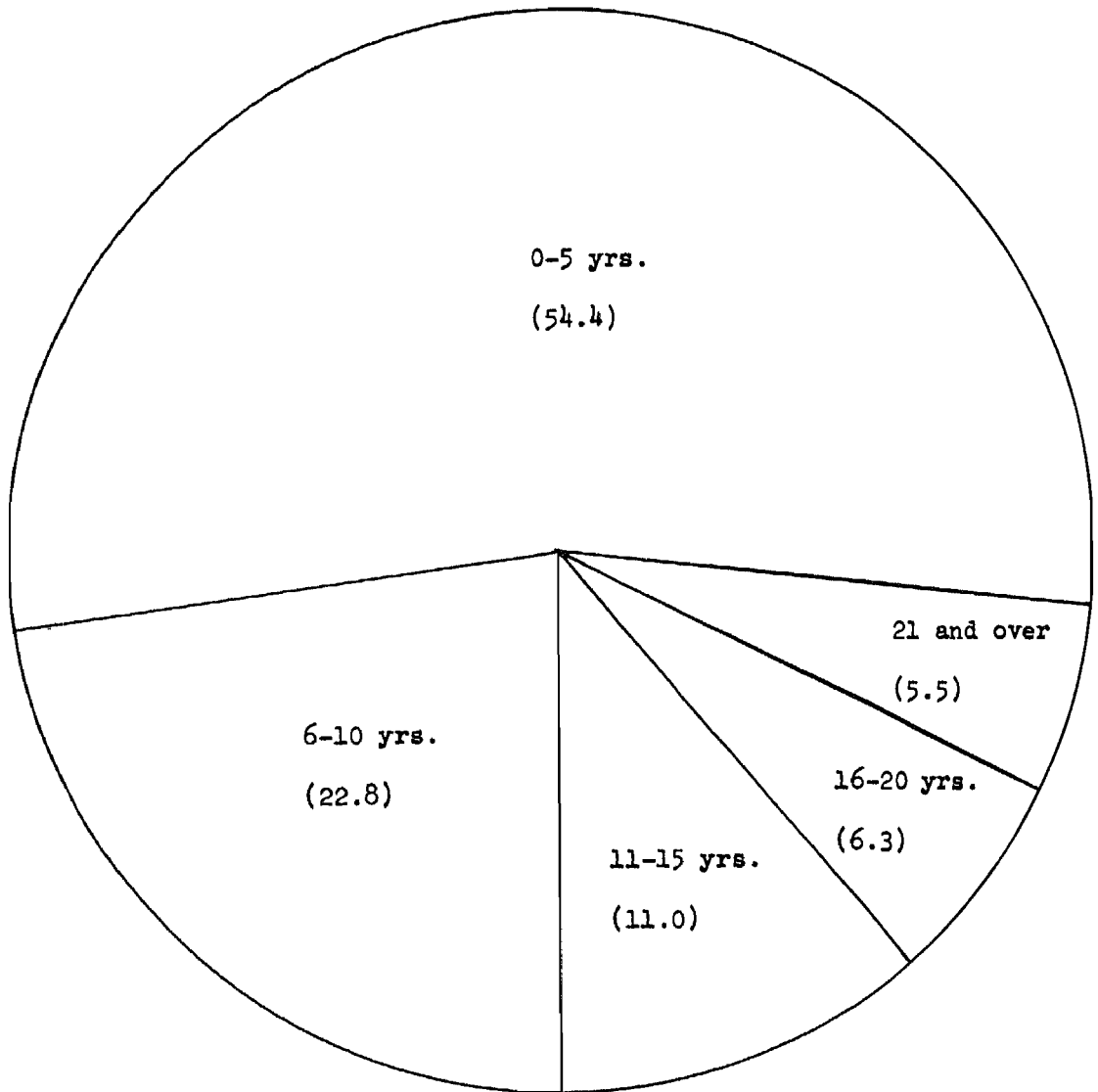


Table 13

GENERAL SERVICE STAFF IN HEADQUARTERS CITIES BY RESIDENT STATUS
AND NUMBER RECEIVING NON-RESIDENT'S AND LANGUAGE ALLOWANCES

HEADQUARTERS CITY AND ORGANIZATION ^{a/}	Nationals of Host Country	Non- Nationals	Total General Service Staff	Percent- age Non- Nationals	Number of Staff Receiving Non- Residents' Allowance	Number of Staff Receiving Language Allowances	
						First	Second
A. NEW YORK						Amt. \$336	Amt. \$168
UNITED NATIONS ^{b/}	946	1 522	2 468	61.7	202	621	138
UNDP	65	281	346	81.2	7	61	5
UNICEF	58	104	162	64.2	-	39	5
TOTAL	1 069	1 907	2 976	64.1	209	721	148
B. GENEVA						Amt. \$217	Amt. \$109
UNITED NATIONS ^{d/}	263	862	1 125	76.6	424	380	76
ILO	228	627	855	73.3	323	216	76
WHO	194	511	705	72.5	308	247	14
UPU ^{e/}	41	15	56	26.8	13	No allowance payable	
ITU	135	196	331	59.2	69	98	22
WMO	47	101	148	68.2	26	45	9
GATT	39	123	162	75.9	53	58	13
TOTAL	947	2 435	3 382	72.0	1 216	1 044	210
C. ROME						Amt. \$275	Amt. \$137
FAO	1 286	888	2 174	40.8	888	592	65
D. PARIS						Amt. \$217	Amt. \$109
UNICEF	60	13	73	17.8	6	27	-
UNESCO	728	453	1 181	38.4	337	397	66
TOTAL	788	466	1 254	37.2	343	424	66

Table 13 (continued)

HEADQUARTERS CITY AND ORGANIZATION ^{a/}	Nationals of Host Country	Non-Nationals	Total General Service Staff	Percent- age Non-Nationals	Number of Staff Receiving Non-Residents' Allowance	Number of Staff Receiving Language Allowances	
						First	Second
<u>E. VIENNA</u>						Amt. \$1 079 ^{b/}	Amt. \$165 Amt. \$83
UNITED NATIONS	233	320	553	57.9	106		64 10
IAEA ^{c/}	312	149	461	32.3	64		161 13
TOTAL	545	469	1 014	46.2	170		225 23
<u>F. MONTREAL</u>							Amt. \$190 Amt. \$25
ICAO	236	87	323	26.9	No NRA payable		106 28
<u>G. LONDON</u>						Amt. \$571 ^{d/}	
IMCO	45	27	72	37.5	1		13 1
TOTAL	4 916	6 279	11 195	56.1	2 827		3 125 541

^{a/} Figures for an organization in a given headquarters city are included only if that organization has at least 30 General Service staff members in that city.

^{b/} Includes UNHCR and UNITAR staff in New York. Also includes 202 Security Service staff.

^{c/} Rate of non-residents allowance (NRA) in Geneva is 1 800 francs per annum (1 890 francs in ILO). Rate of exchange in August 1971: 3.95 S.fr. = \$1.00 US. Value of NRA in dollars has since increased due to exchange rate changes to \$469 (\$492 in ILO).

^{d/} Includes UNHCR and UNITAR staff in Geneva.

^{e/} Actually located in Berne, listed under Geneva, since UPU applies same General Service salary scales as organizations in Geneva.

^{f/} Rate of NRA in Rome is 216 000 lire. Rate of exchange in August 1971: 614 lire = \$1.00 US. Value of NRA in dollars has since increased due to exchange rate changes to \$365.

^{g/} Rate of NRA in Paris is 4 600 Fr. francs for staff with dependants and 3 300 Fr. francs for staff without dependants. Rate of exchange in August 1971: 5.52 Fr. fr. = \$1.00 U.S. Value of NRA in dollars has since increased due to exchange rate changes to \$881 (D) and \$632 (S).

^{h/} Rate of NRA in Vienna is 26,000 Austrian schillings. Rate of exchange used: Schs. 23.70 = \$1.00.

^{i/} IAEA data as of 1 July 1971.

^{j/} Rate of NRA in London is £225. Rate of exchange in August 1971: £0.404 = \$1.00. Value of NRA in dollars has since changed due to exchange rate changes to \$574.

Table 15

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES RECRUITED PER YEAR
BY ORGANIZATION AND TYPE OF APPOINTMENT OVER PERIOD 1967-1970

ORGANIZATION	1967						1970						Totals		
	Careers ^{a/}	Fixed-term	% F.T.	Career	Fixed-term	% F.T.	Career	Fixed-term	% F.T.	Career	Fixed-term	% F.T.	Career	Fixed-term	% F.T.
United Nations and Related Programmes	107	207	65.9	90	197	68.6	100	261	72.3	107	234	68.6	404	899	69.0
UNITED NATIONS															
UNDP	6	54	90.0	1	46	97.9	2	53	96.4	3	61	95.3	12	214	94.7
UNHCR	-	9	100.0	-	7	100.0	-	8	100.0	1 ^{b/}	8	88.9	1	32	97.0
UNICEF	-	28	100.0	-	18	100.0	1	10	90.9	1 ^{b/}	16	94.1	2	72	97.3
UNITAR	-	9	100.0	-	8	100.0	-	7	100.0	-	8	100.0	-	32	100.0
UNRWA ^{c/}	-	4	100.0	-	14	100.0	-	16	100.0	-	6	100.0	-	40	100.0
Sub-total	113	311	73.3	91	290	76.1	103	355	77.5	112	333	74.8	419	1 289	75.5
Specialized Agencies, IAEA and GATT															
ILO ^{d/}	23	66	74.2	12	91	88.3	11	94	89.5	4	84	95.5	50	335	87.0
FAO ^{e/}	22	273	92.5	15	296	95.2	18	287	94.1	11	326	96.7	66	1 182	94.7
UNESCO ^{f/}	-	82	100.0	-	69	100.0	-	79	100.0	-	80	100.0	-	310	100.0
WHO	-	82	100.0	-	72	100.0	-	65	100.0	-	51	100.0	-	270	100.0
ICAO	1	17	94.4	2	8	80.0	11	16	59.3	4	20	83.3	18	61	77.2
UPU	3	2	40.0	7	2	22.2	-	3	100.0	1	-	-	11	7	36.9
ITU	6	4	40.0	8	5	38.5	3	1	25.0	12	9	42.9	29	19	39.6
WMO	-	6	100.0	-	19	100.0	-	10	100.0	-	13	100.0	-	48	100.0
INCO	-	-	-	1	10	90.9	-	1	100.0	-	13	100.0	1	24	96.0
IAEA	-	55	100.0	-	52	100.0	-	65	100.0	-	57	100.0	-	229	100.0
GATT	4	6	60.0	1	18	94.7	2	11	84.6	-	25	100.0	7	60	84.0
Sub-total ^{g/}	37	320	89.6	30	347	92.0	27	345	92.7	21	352	94.4	116	1 363	92.2
TOTAL ^{h/}	150	631		121	637	84.0	130	700	84.3	133	685	83.7	535	2 652	83.2

a/ Refers to probationary appointments or transfers of permanent staff from other organizations.

b/ Staff member with permanent contract seconded from United Nations.

c/ UNRWA issues fixed-term appointments of one year including a probationary period for the first six months. Upon satisfactory completion of the contract an extension for another year is granted. Upon expiration of the total two-year fixed-term contract, an indefinite appointment may be granted (see general note introducing all the statistical tables).

d/ In view of ILO's financial difficulties since August 1970, the figures on recruitment for 1970 cannot be considered as normal.

e/ Represents the total number of posts filled, whether by appointment from outside the organization, promotions or transfers. All UNESCO appointments are fixed-term appointments subject to a nine-months probationary period.

f/ ALL UNESCO appointments are fixed-term appointments subject to a nine-months probationary period.

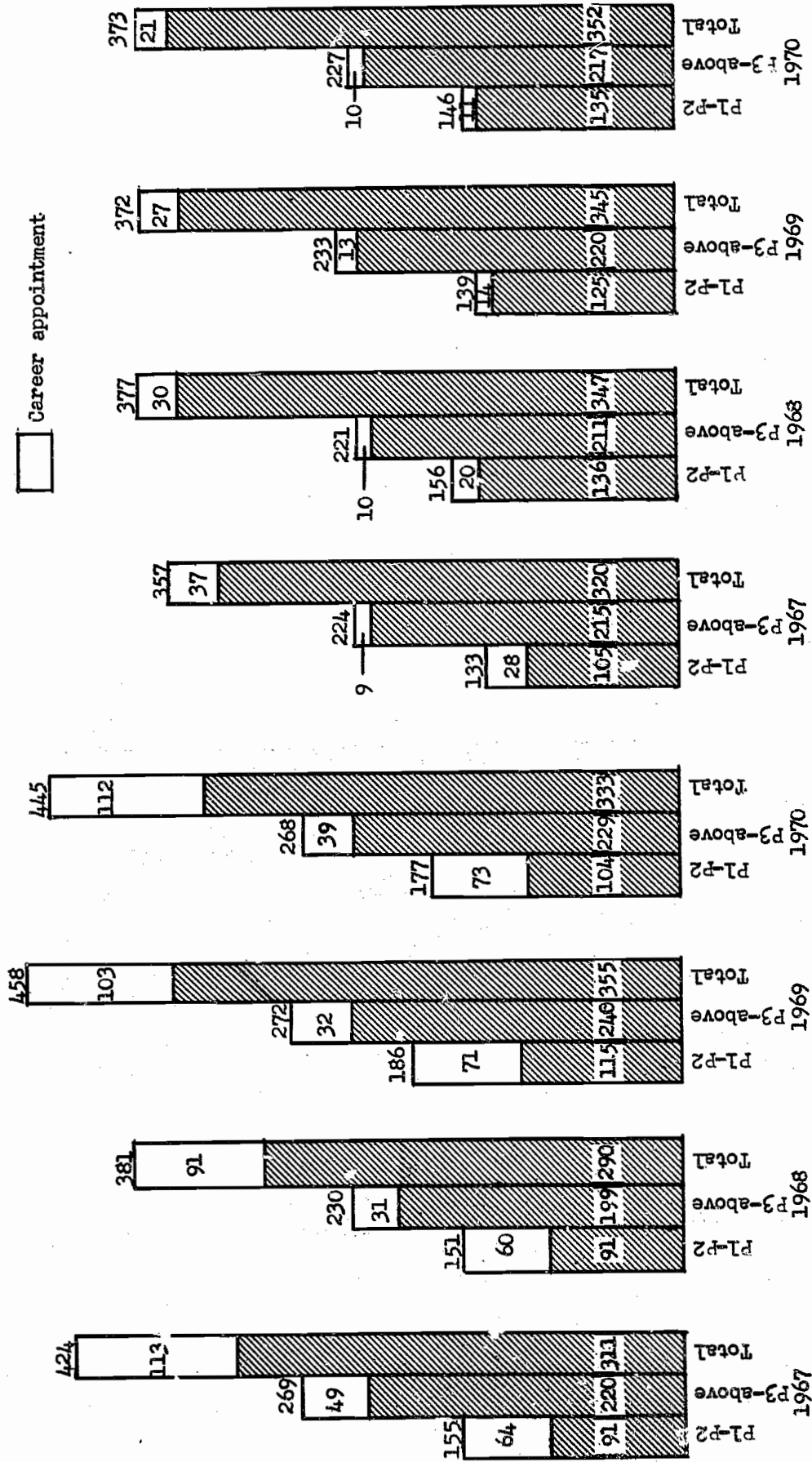
g/ Agencies sub-total and the totals do not include FAO figures, which are not comparable to those of the other organizations.

Diagram 18

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
RECRUITED OVER PERIOD 1967-1970

Fixed-term appointment

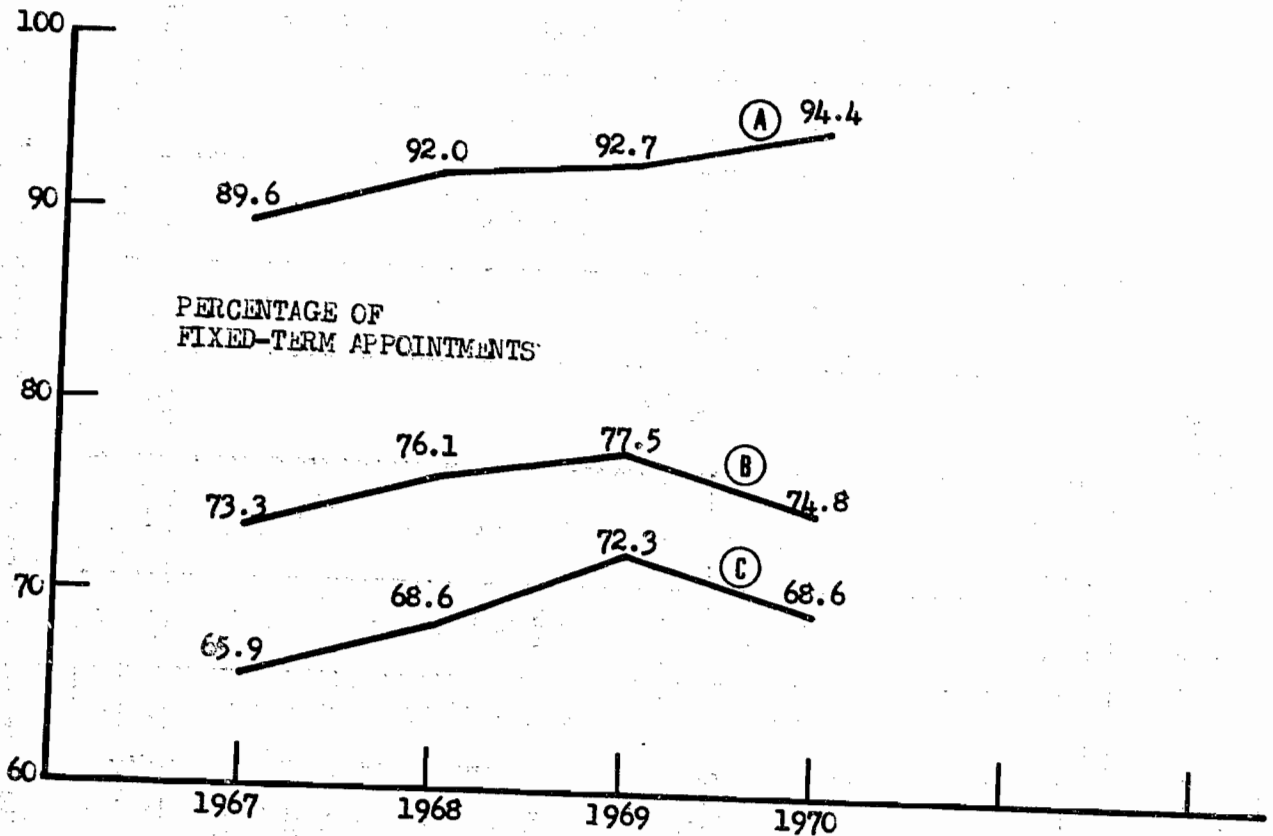
Career appointment



UNITED NATIONS AND RELATED PROGRAMMES

SPECIALIZED AGENCIES (EXCLUDING FAO), IAEA AND GATT

RECRUITMENT TRENDS OVER PERIOD 1969-1970



- (A) Specialized agencies (excluding FAO), IAEA and GATT
- (B) United Nations and related programmes
- (C) United Nations

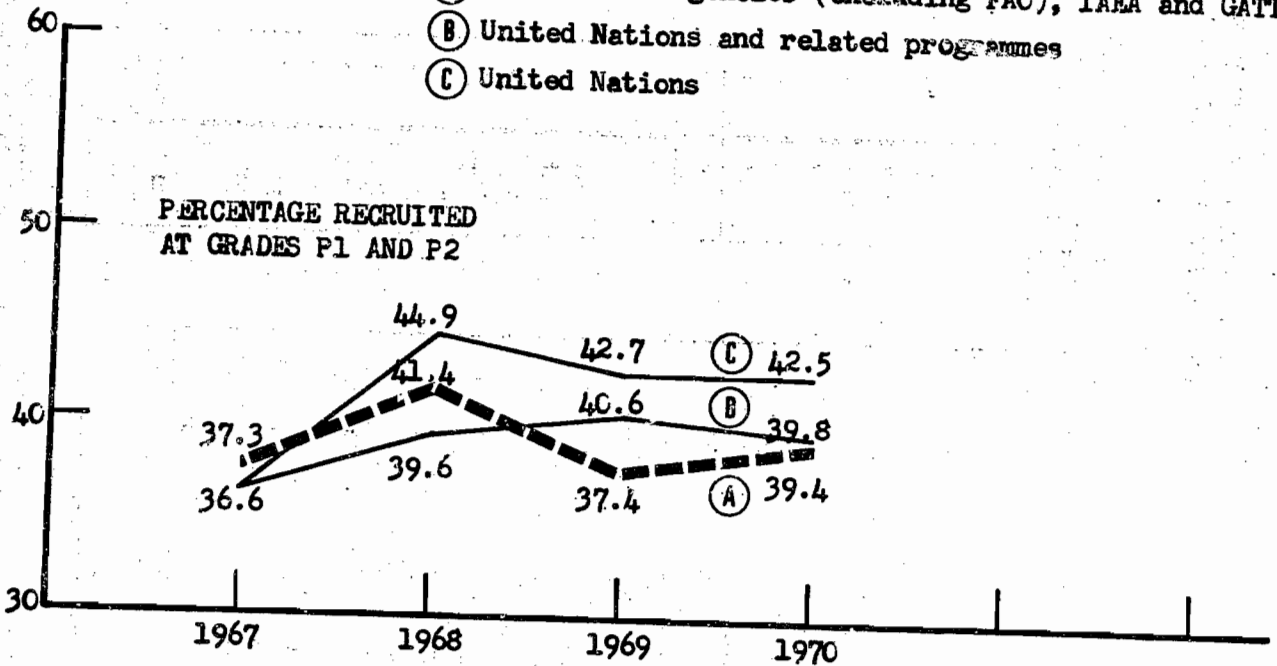


Table 16

REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES SEPARATED FROM SERVICE PER YEAR BY ORGANIZATION AND GRADE GROUP OVER PERIOD 1967-1970

ORGANIZATION	Year										Total					
	1967					1968					1970		Total			
	P-1/2	Other ^{a/}	% P-1/2	P-1/2	Other	% P-1/2	P-1/2	Other	% P-1/2	P-1/2	Other	P-1/2	Other	% P-1/2	P-1/2	Other
United Nations and Related Programmes																
UNITED NATIONS																
UNDP	35	142	19.8	45	160	22.0	40	182	18.0	57	208	21.5	177	692	20.4	
UNHCR	17	24	41.5	7	27	20.6	4	40	9.1	8	40	16.7	36	13	21.6	
UNICEF	4	3	57.1	3	3	50.0	4	6	40.0	3	4	42.9	14	16	43.8	
UNITAR	1	16	5.9	2	8	20.0	6	13	31.6	2	15	11.8	11	52	17.5	
UNRWA	-	6	-	2	4	33.3	1	6	14.3	4	8	33.3	7	24	22.6	
	2	21	8.7	1	9	10.0	1	4	20.0	-	7	-	4	41	8.9	
Sub-total	59	212	21.8	60	211	22.1	56	251	18.2	74	282	20.0	249	956	20.7	
Specialized Agencies, IAEA and GATT																
IAEA and GATT																
IAO ^{b/}	32	27	54.2	47	29	61.8	49	27	64.5	44	39	53.0	172	122	58.5	
FAO	31	165	15.8	31	142	17.9	33	199	14.2	35	169	17.2	130	675	16.1	
UNESCO	7	45	13.5	13	50	20.6	6	56	9.7	9	64	12.3	35	215	14.0	
WHO	7	43	14.0	12	50	19.4	9	39	18.8	12	34	26.1	40	166	19.4	
ICAO	5	6	45.5	4	11	26.7	5	14	26.3	3	17	15.0	17	48	26.2	
UPU	-	2	-	-	3	-	1	2	33.3	-	3	-	1	10	9.1	
ITU	2	12	14.3	1	7	12.5	-	4	-	-	8	-	3	31	8.8	
WMO	4	1	80.0	3	2	60.0	1	3	25.0	-	4	-	8	10	44.4	
IMCO	-	1	-	2	2	50.0	-	6	-	-	4	-	2	13	13.3	
IAEA	8	44	15.4	5	45	10.0	9	36	20.0	4	35	10.3	26	160	14.0	
GATT	1	4	20.0	1	2	33.3	2	7	22.2	4	4	50.0	8	17	32.0	
Sub-total	97	350	21.7	119	343	25.8	115	393	22.6	111	381	22.6	442	1 467	23.2	
TOTAL	156	562	21.7	179	554	24.4	171	644	21.0	185	663	21.8	671	2 423	22.2	

a/ Grades P-3 and above.

b/ IIO combines the grades P-2 and P-3 into a single grade, P-2/3. The figures reported under column P-1/2 refer to P-1 to P-2/3. Separations and "other" refers to P-4 and above. Also, in view of IIO's financial difficulties since August 1970, the figures on separations for 1970 - especially for fixed-term staff - cannot be considered as normal.

Table 18

A. REGULAR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
SEPARATED FROM SERVICE BY ORGANIZATION AND REASON FOR
SEPARATION OVER PERIOD 1967-1970

ORGANIZATION	Reason for Separation							TOTAL	
	EXPIRATION OF CONTRACT	TRANSFER	RETIRE- MENT	RESIG- NATION	DEATH	TERMINATION ^{a/}	OTHER		
United Nations and Related Programmes									
UNITED NATIONS	251	71	162	340	27	17	1	869	
UNDP	27	21	21	55	8	1	34 ^{b/}	167	
UNHCR	10	3	12	5	-	1	1 ^{b/}	32	
UNICEF	12	3	15	28	2	3	-	63	
UNITAR	19	6	3	3	-	-	-	31	
UNRWA	2	6	6	12	-	19	-	45	
Sub-total	321	110	219	443	37	41	36	1 207	
Specialized Agencies, IAEA and GATT									
ILO	105	34	38	105	7	5	-	294	
FAO ^{c/}									
UNESCO	82	8	50	88	9	15	-	252	
WHO	48	15	50	72	15	6	-	206	
ICAO	18	10	14	15	2	6	-	65	
UPU	4	-	3	3	1	-	-	11	
ITU	-	5	12	11	6	-	-	34	
WMO	10	4	1	3	-	-	-	18	
IMCO	7	2	2	3	-	1	-	15	
IAEA	116	19	7	40	3	1	-	186	
GATT	2	1	4	16	1	-	1	25	
Sub-total	327	98	181	356	44	34	1	1 106	
Total	No.	713	208	400	799	81	75	37	2 313
	%	30.8	9.0	17.3	34.5	3.5	3.3	1.6	100.0

a/ See table B below for reasons for termination.

b/ Staff members who had been returned to the other organizations after a period of secondment.

c/ FAO reports that statistics on the reasons for separation were not available.

Table 18 (continued)

B. BREAKDOWN OF TERMINATION BY REASON

Failure to complete probation satisfactorily	9
Unacceptability to host Government	-
Reduction in strength or abolition of post	23
Unsatisfactory service	10
Misconduct	4
Reasons of health	8
"Agreed terminations"	17
Unspecified	3
	<u>74</u> ^{a/}
Total	

a/ IAEA did not give the reason for termination for the one case it reported.

Table 19

SEPARATION OF REGULAR STAFF IN RELATION TO TOTAL REGULAR PROFESSIONAL
AND HIGHER CATEGORIES AT HEADQUARTERS AND AWAY FROM HEADQUARTERS BY
ORGANIZATION AND YEAR OVER PERIOD 1967-1970

ORGANIZATION	YEAR	HEADQUARTERS			AWAY FROM HEADQUARTERS		
		Number of staff on 1 January	Number of separations during year	Percentage of separations	Number of staff on 1 January	Number of separations during year	Percentage of separations
United Nations and Related Programmes UNITED NATIONS	1967	1422	110	7.7	1033	67	6.5
	1968	1470	113	7.7	1205	92	7.6
	1969	1587	115	7.2	1283	107	8.3
	1970	1592	159	9.9	1295	106	8.2
UNDP	1967	155	18	11.6	252	23	9.1
	1968	177	17	9.6	267	17	6.4
	1969	177	29	16.4	291	15	5.2
	1970	201	22	10.9	322	26	8.1
UNHCR	1967	53	3	5.7	44	6	13.6
	1968	54	3	5.6	47	3	6.4
	1969	54	7	13.0	47	3	6.4
	1970	57	3	5.3	52	4	7.7
UNICEF	1967	70	7	10.0	108	10	9.3
	1968	70	2	2.9	113	8	7.1
	1969	75	5	6.7	122	14	11.5
	1970	70	7	10.0	121	10	8.3
UNITAR	1967	27	6	22.2	1	-	-
	1968	30	5	16.7	1	1	100.0
	1969	31	7	22.6	1	-	-
	1970	30	12	40.0	2	-	-
UNRWA	1967	43	10	23.3	41	13	31.7
	1968	36	7	19.4	29	3	10.3
	1969	43	3	7.0	26	2	7.7
	1970	48	5	10.4	32	2	6.2
SUB-TOTAL	1967	1770	154	8.7	1479	119	8.0
	1968	1837	147	8.0	1662	124	7.5
	1969	1967	166	8.4	1770	141	8.0
	1970	1998	208	10.4	1824	148	8.1

Table 19 (continued)

ORGANIZATION	YEAR	HEADQUARTERS			AWAY FROM HEADQUARTERS		
		Number of staff on 1 January	Number of separations during year	Percentage of separations	Number of staff on 1 January	Number of separations during year	Percentage of separations
United Nations and Related Programmes (continued)							
ILO	1967	697	56	8.0	45	3	6.7
	1968	697	75	10.8	58	1	1.7
	1969	744	71	9.5	63	5	7.9
	1970	763	80	10.5	72	3	4.2
FAO ^{a/}	1967	1002	196	19.6	1713	528	30.8
	1968	1101	173	15.7	1889	581	30.8
	1969	1139	232	20.4	2046	611	29.9
	1970	1212	204	16.8	2146	645	30.1
UNESCO	1967	583	37	6.3	108	15	13.9
	1968	605	46	7.6	110	17	15.5
	1969	649	48	7.4	110	13	11.8
	1970	656	60	9.1	119	13	10.9
WHO	1967	406	34	8.4	271	16	5.9
	1968	430	37	8.6	295	25	8.5
	1969	459	26	5.7	301	22	7.3
	1970	474	29	6.1	312	17	5.4
ICAO	1967	166	8	4.8	45	3	6.7
	1968	167	13	7.8	46	2	4.3
	1969	170	14	8.2	51	5	9.8
	1970	174	16	9.2	54	4	7.4
UPU	1967	45	2	4.4	NONE		
	1968	48	3	6.2			
	1969	56	3	5.4			
	1970	56	3	5.4			
ITU	1967	129	14	10.9	NONE		
	1968	143	8	5.6			
	1969	146	4	2.7			
	1970	163	8	4.9			

^{a/} FAO figures given for "Away from headquarters" cover Field Project Professional Staff.

Table 19 (continued)

ORGANIZATION	YEAR	HEADQUARTERS			AWAY FROM HEADQUARTERS		
		Number of staff on 1 January	Number of separations during year	Percentage of separations	Number of staff on 1 January	Number of separations during year	Percentage of separations
Specialized Agencies, IAEA and GATT							
WMO	1967	57	5	8.8	NONE		
	1968	59	5	8.5			
	1969	83	4	4.8			
	1970	89	4	4.5			
IMCO	1967	25	1	4.0	NONE		
	1968	31	4	12.9			
	1969	31	6	19.4			
	1970	40	4	10.0			
IAEA	1967	275	51	18.5	13	1	7.7
	1968	286	50	17.5	18	-	-
	1969	303	44	14.5	15	1	6.7
	1970	327	39	11.9	14	-	-
GATT	1967	98	5	5.1	NONE		
	1968	101	3	3.0			
	1969	114	9	7.9			
	1970	123	8	6.5			
SUB-TOTAL	1967	3483	409	11.7	2195	566	25.8
	1968	3668	417	11.4	2416	626	25.9
	1969	3894	461	11.8	2476	657	26.5
	1970	4077	455	11.2	2717	682	25.1
TOTALS	1967	5253	563	10.7	3674	685	18.6
	1968	5505	564	10.2	4078	750	18.4
	1969	5861	627	10.7	4246	798	18.8
	1970	6075	663	10.9	4541	830	18.3

Table 20

SEPARATIONS OF GENERAL SERVICE STAFF IN RELATION TO TOTAL
GENERAL SERVICE STAFF AT HEADQUARTERS BY ORGANIZATION AND
YEAR OVER PERIOD 1967-1970

ORGANIZATION	HEADQUARTERS			
	Year	Number of Staff on 1 January	Number of Separations During Year	Percentage of Separations
UNITED NATIONS AND RELATED PROGRAMMES				
	1967	2 095	422	20.1
	1968	2 135	432	20.2
UNITED NATIONS	1969	2 282	504	22.1
	1970	2 291	386	16.8
	1967	190	40	21.1
UNDP	1968	226	62	27.4
	1969	240	80	33.3
	1970	278	45	16.2
	1967	77	10	13.0
UNHCR	1968	76	11	14.5
	1969	83	12	14.5
	1970	85	11	12.9
	1967	131	18	13.7
UNICEF	1968	139	21	15.1
	1969	142	30	21.1
	1970	139	19	13.7
	1967	20	7	35.0
UNITAR	1968	31	6	19.4
	1969	35	8	22.9
	1970	31	9	29.0
	1967	3	2	66.7
UNRWA	1968	3	-	-
	1969	1 ^{a/}	-	-
	1970	1	-	-
	1967	2 516	499	19.8
SUB-TOTAL	1968	2 610	532	20.4
	1969	2 783	634	22.8
	1970	2 825	470	16.6

a/ Two General Service staff members were transferred to a field office.

Table 20 (continued)

ORGANIZATION	HEADQUARTERS			
	Year	Number of Staff on 1 January	Number of Separations During Year	Percentage of Separations
SPECIALIZED AGENCIES, IAEA AND GATT				
ILO	1967	925	77	8.3
	1968	929	85	9.1
	1969	1,107	81	7.3
	1970	1,190	83	7.0
FAO	1967	1,754	82	4.7
	1968	1,886	60	3.2
	1969	1,943	71	3.7
	1970	2,040	87	4.3
UNESCO	1967	1,002	69	6.9
	1968	1,028	84	8.2
	1969	1,096	71	6.5
	1970	1,163	100	8.6
WHO	1967	622	90	14.5
	1968	666	87	13.1
	1969	677	91	13.4
	1970	676	78	11.5
ICAO	1967	295	45	15.3
	1968	295	36	12.2
	1969	307	45	14.7
	1970	306	39	12.7
UPU	1967	33	-	-
	1968	39	2	5.1
	1969	43	1	2.3
	1970	44	3	6.8
ITU	1967	265	21	7.9
	1968	275	13	4.7
	1969	287	17	5.9
	1970	308	14	4.5

Table 20 (continued)

ORGANIZATION	HEADQUARTERS			
	Year	Number of Staff on 1 January	Number of Separations During Year	Percentage of Separations
SPECIALIZED AGENCIES, IAEA AND GATT (Cont.)				
WMO	1967	107	11	10.3
	1968	109	11	10.1
	1969	123	15	12.2
	1970	136	20	14.7
IMCO	1967	52	-	-
	1968	61	21	34.4
	1969	61	14	23.0
	1970	73	14	19.2
IAEA	1967	403	58	14.4
	1968	427	50	14.1
	1969	443	68	15.3
	1970	468	72	15.4
GATT	1967	127	15	11.8
	1968	132	9	6.8
	1969	158	16	10.1
	1970	158	23	14.6
Sub-total	1967	5585	468	8.4
	1968	5847	468	8.0
	1969	6245	490	7.8
	1970	6562	533	8.1

Table 21

APPOINTMENTS AND PROMOTIONS TO REGULAR POSTS IN THE PROFESSIONAL AND HIGHER CATEGORIES BY ORGANIZATION, YEAR AND GRADE OVER PERIOD 1967-1970

ORGANIZATION	YEAR	D-2		D-1		P-5		P-4		P-3		P-2		P-1		Total						
		A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P					
United Nations and Related Programmes	1967	9	4	69.2	10	16	38.5	28	41	40.6	65	68	69.9	80	51	61.1	35	20	63.6	312	273	53.3
	1968	4	7	36.4	4	16	20.0	23	44	34.3	52	71	42.3	95	41	69.9	34	15	69.4	285	277	50.5
	1969	3	6	33.3	15	23	39.5	26	50	34.2	65	101	39.2	96	63	67.0	26	15	63.4	349	347	50.6
	1970	8	6	57.1	14	38	26.9	26	80	24.5	60	110	35.3	88	60	66.9	24	25	49.0	341	433	44.1
		24	23	51.1	43	93	31.6	103	215	32.4	242	350	40.9	340	215	66.4	119	75	61.3	1 295	1 330	49.3
UNDP	1967	2	1	66.7	4	4	50.0	9	12	42.9	16	13	55.2	10	15	34.8	11	-	100.0	60	58	50.8
	1968	3	-	100.0	9	11	45.0	9	8	52.9	6	10	37.5	9	6	30.0	5	-	100.0	47	40	54.0
	1969	1	-	100.0	4	3	57.1	6	10	37.5	9	11	45.0	11	13	58.1	6	1	85.7	55	63	46.6
	1970	3	-	100.0	6	13	31.6	11	13	45.8	13	26	33.3	10	15	55.9	8	3	40.0	64	89	41.8
	9	1	90.0	23	31	42.6	35	43	44.9	44	60	42.3	40	49	51.0	24	4	85.7	226	250	47.5	
UNHCR	1967	-	-	-	-	-	-	-	1	-	2	2	50.0	1	6	14.3	3	3	50.0	9	12	42.9
	1968	-	-	-	-	-	-	3	3	-	-	2	-	4	33.3	3	3	50.0	7	12	36.8	
	1969	-	-	-	1	-	100.0	1	-	100.0	1	7	12.5	3	2	60.0	1	2	33.3	8	14	36.4
	1970	1	-	100.0	-	2	-	1	4	20.0	-	7	-	1	3	25.0	-	5	75.0	9	23	28.1
	2	-	100.0	1	2	33.3	2	8	20.0	3	18	14.3	7	15	31.8	7	11	38.9	33	61	35.1	
UNICEF	1967	-	-	-	-	-	-	1	4	20.0	6	4	60.0	11	2	84.6	9	3	75.0	28	13	68.2
	1968	-	1	-	-	4	-	2	12	14.3	8	6	57.1	6	2	60.0	2	2	50.0	18	31	36.7
	1969	-	-	-	1	-	100.0	2	5	28.6	2	8	20.0	5	3	38.5	-	3	100.0	11	24	31.4
	1970	2	4	33.3	1	2	33.3	-	8	-	5	6	45.5	6	7	46.2	3	2	60.0	17	30	36.2
	2	5	28.6	2	6	25.0	5	29	14.7	21	24	46.7	28	21	57.1	14	10	58.3	74	98	43.0	
UNITAR	1967	-	-	-	-	-	-	2	-	100.0	-	-	-	2	-	100.0	4	-	100.0	9	-	100.0
	1968	1	-	100.0	-	-	-	-	-	-	-	-	1	1	50.0	4	1	80.0	8	2	80.0	
	1969	-	-	-	1	-	100.0	1	-	100.0	2	1	66.7	-	1	100.0	2	-	100.0	7	-	100.0
	1970	1	-	-	-	-	-	4	1	80.0	1	1	50.0	1	1	100.0	1	-	100.0	8	3	72.7
	1	-	100.0	1	-	100.0	7	1	87.5	3	2	60.0	4	2	66.7	10	1	90.9	32	5	86.5	

Table 21 (continued)

ORGANIZATION	YEAR	D-2		D-1		P-5		P-4		P-3		P-2		P-1		Total			
		A ^b	P ^b	A	% A	A	% A	A	% A	A	% A	A	% A	A	% A	A	% A	P	% A
		% A ^c																	
UNRWA	1967	-	-	-	-	-	-	3	-	3	-	100.0	1	-	1	-	4	50.0	
	1968	1	-	1	50.0	-	-	6	100.0	6	-	100.0	-	-	-	-	14	82.4	
	1969	-	-	-	-	-	-	4	80.0	8	-	100.0	3	-	-	-	16	94.1	
	1970	-	-	-	-	-	-	2	100.0	3	-	100.0	1	-	-	-	6	66.7	
SUB-TOTAL	1967	11	5	14	41.2	40	58	89	49.7	112	94	54.4	105	69	24	68.0	360	54.0	
	1968	9	8	14	30.4	34	69	72	44.7	95	97	49.5	110	53	17	71.7	377	50.8	
	1969	4	6	22	45.8	36	65	83	39.2	123	124	49.8	151	82	18	67.3	456	50.4	
	1970	14	10	21	58.3	42	109	81	35.1	109	144	43.1	145	82	31	51.6	445	43.4	
		38	29	71	56.7	152	301	325	41.5	339	484	49.2	511	286	90	64.6	1700	49.2	
Specialized Agencies, IAEA and GATT	1967	-	4	1	16.7	7	12	15	42.9	22	9	71.0	23	10	5	80.8	89	57.8	
	1968	1	5	3	33.3	6	18	18	41.9	29	7	80.6	29	7	7	69.6	102	57.6	
	1969	1	1	5	45.5	9	8	16	36.4	29	11	72.5	29	12	12	55.6	104	57.1	
	1970	1	1	1	50.0	12	8	60.0	28.9	21	11	65.6	21	10	5	76.3	87	53.4	
		3	11	10	21.4	34	46	42.5	37.1	30.9	38	72.7	102	39	29	70.7	382	56.5	
FAO	1967	-	-	2	-	5	-	36	-	86	-	-	142	-	24	-	295	-	
	1968	-	-	1	-	11	-	51	-	93	-	-	129	-	26	-	311	-	
	1969	1	-	-	-	12	-	43	-	92	-	-	136	-	14	-	305	-	
	1970	-	-	2	-	17	-	48	-	108	-	-	140	-	22	-	337	-	
UNESCO	1967	6	1	8	42.1	54	8	62	84.6	24	9	72.7	13	3	3	91.2	198	80.2	
	1968	1	1	10	85.3	36	9	43	86.0	23	6	79.3	4	1	1	94.7	135	83.3	
	1969	5	2	7	58.3	45	11	36	86.2	25	11	69.4	14	3	7	78.8	178	78.8	
	1970	4	2	6	66.7	27	7	79.4	39	76.5	19	9	67.9	10	4	3	90.6	134	77.9
		16	6	31	72.7	162	35	82.2	200	82.6	91	35	72.2	41	11	14	88.1	645	79.9
WHO	1967	3	4	1	33.3	25	12	22	88.0	13	3	81.2	8	3	4	71.4	82	72.6	
	1968	-	1	2	50.0	11	16	15	68.2	17	4	54.8	14	3	3	80.0	71	66.4	
	1969	-	2	1	50.0	12	14	28	82.4	7	7	50.0	12	3	2	71.4	65	65.0	
	1970	1	3	1	25.0	9	9	15	65.2	9	7	56.2	9	3	3	70.0	51	56.0	
SUB-TOTAL	1967	4	10	5	28.6	57	51	80	76.9	46	21	68.7	43	12	12	78.2	269	65.4	
	1970	1	10	5	28.6	57	51	80	76.9	46	21	68.7	43	12	12	78.2	269	65.4	

Table 21 (continued)

ORGANIZATION	YEAR	D-2		D-1		P-5		P-4		P-3		P-2		P-1		Total							
		A/B	P/B	% A/C	A	P	% A	A	P	% A	A	P	% A	A	P	% A	A	P					
Specialized Agencies, IAEA and GATT (cont'd)	1967	1	-	100.0	-	-	3	6	33.3	10	4	71.4	4	1	80.0	-	2	16	52.9				
	1968	-	-	-	1	100.0	2	8	20.0	3	6	33.3	3	1	75.0	-	2	20	33.3				
	1969	-	-	-	1	50.0	2	6	45.5	13	2	26.7	5	1	83.3	1	4	18	50.0				
	1970	-	-	-	-	2	3	75.0	68.2	4	2	66.7	2	8	20.0	-	2	22	32.2				
ICAO	1967	1	-	100.0	2	3	40.0	27	48.1	30	14	68.2	14	11	56.0	1	10	76	51.0				
	1968	-	1	-	-	1	100.0	-	-	2	1	66.7	1	4	20.0	1	1	8	38.5				
	1969	-	-	-	-	-	-	1	50.0	3	1	75.0	5	3	62.5	-	-	5	64.3				
	1970	-	-	-	-	-	-	1	100.0	-	3	100.0	-	-	-	-	2	3	50.0				
UPU	1967	-	1	-	-	1	50.0	2	3	40.0	8	5	61.5	5	12	33.3	1	3	25.0	18	25	41.9	
	1968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1969	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1970	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ITU	1967	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1968	-	-	-	1	100.0	-	2	40.0	5	12	20.0	5	-	100.0	-	1	17	37.0				
	1969	-	-	-	-	-	1	4	80.0	3	2	60.0	5	-	100.0	-	-	4	76.5				
	1970	-	-	-	-	-	1	2	33.3	1	2	33.3	1	-	100.0	-	2	13	61.8				
WHO	1967	-	-	-	2	66.7	1	13	35.0	20	19	51.3	17	-	100.0	1	3	25.0	48	38			
	1968	-	-	-	-	-	1	4	100.0	3	-	100.0	2	-	100.0	-	-	-	6	100.0			
	1969	-	-	-	1	33.3	3	6	60.0	2	1	66.7	1	-	100.0	6	1	85.7	19	59.4			
	1970	-	-	-	2	100.0	-	1	100.0	1	1	50.0	2	1	66.7	6	-	100.0	10	83.3			
IMCO	1967	-	-	-	3	60.0	3	5	37.5	11	2	84.6	7	5	58.3	14	1	93.3	48	19	71.6		
	1968	-	-	-	-	-	1	2	50.0	-	-	-	-	-	-	-	-	-	-	-	-		
	1969	-	-	-	-	-	1	1	50.0	7	-	100.0	3	-	100.0	-	-	-	11	3	78.6		
	1970	-	-	-	1	100.0	2	4	33.3	5	-	100.0	3	-	100.0	-	-	-	1	1	100.0		
		-	-	-	1	100.0	3	6	25.0	13	-	100.0	-	-	100.0	-	-	-	25	9	73.5		

Table 21 (continued)

ORGANIZATION	YEAR	D-2		D-1		P-5		P-4		P-3		P-2		P-1		Total			
		A ^b	P ^b / % A ^b	A	% A	A	% A	A	% A	A	% A	A	% A	A	% A	A	% A	P	% A
Specialized Agencies, IABA and GATY (cont'd)	1967	2	100.0	3	100.0	6	66.7	14	93.3	15	100.0	11	100.0	3	100.0	54	75.0	5	91.5
	1968	1	100.0	3	100.0	11	100.0	15	100.0	13	100.0	8	100.0	1	100.0	52	25.0	3	94.5
	1969	-	-	1	50.0	15	100.0	24	92.3	17	100.0	6	100.0	-	-	63	-	4	94.0
	1970	2	100.0	6	100.0	3	75.0	17	94.4	13	100.0	12	100.0	4	100.0	57	100.0	2	96.6
GATY	1967	5	100.0	13	92.9	35	89.7	70	94.6	58	100.0	37	100.0	8	100.0	226	61.5	14	94.2
	1967	1	100.0	-	-	-	-	1	50.0	6	100.0	1	100.0	-	-	10	50.0	2	83.3
	1968	1	100.0	2	66.7	-	-	1	50.0	3	100.0	6	100.0	4	100.0	19	100.0	3	86.3
	1969	1	100.0	-	-	1	100.0	2	33.3	3	42.8	4	100.0	1	80.0	13	66.7	11	54.2
1970	-	-	1	100.0	4	66.7	2	40.0	3	100.0	11	78.5	3	100.0	25	100.0	8	75.8	
SUB-TOTAL ^f	1967	3	100.0	3	60.0	5	40.0	6	40.0	17	80.9	22	84.6	11	84.6	67	84.6	24	73.6
	1967	13	10	13	40.6	33	71.0	120	71.0	98	72.7	68	76.4	67	76.4	472	78.8	193	71.0
	1968	4	7	23	63.9	69	56.1	105	65.2	105	79.5	78	83.9	57	77.0	441	77.0	189	70.0
	1969	7	5	15	50.0	85	69.7	133	69.6	100	72.5	73	77.7	55	65.5	468	65.5	203	69.7
1970	8	6	19	50.0	60	65.2	106	58.9	92	72.4	76	67.3	65	81.2	426	81.2	218	66.1	
TOTALS	1967	32	28	70	51.5	161	65.6	464	66.2	395	74.1	241	75.8	244	75.5	1807	75.5	803	69.2
	1967	24	15	27	40.9	133	58.1	209	60.1	210	61.4	173	65.8	118	73.8	894	73.8	553	61.8
	1968	13	15	37	45.1	103	45.6	177	55.0	200	59.9	188	68	73.4	100	74.6	564	59.2	
	1969	11	11	37	47.4	102	54.3	216	53.6	223	57.9	224	103	68.5	92	66.2	652	58.6	
1970	22	16	40	35.1	102	42.0	187	45.5	201	52.9	221	119	65.0	93	68.1	799	52.2		
TOTALS	1967	70	57	141	41.5	462	49.8	789	53.2	634	57.9	806	68.0	408	70.7	3507	70.7	2568	57.7

a/ Appointments. b/ Promotions. c/ Percentage filled by appointments.
d/ ILO combines the grades P-2 and P-3 into a single grade, P-2/3. For aggregation purposes the figures reported for the single grade have been evenly distributed between grades P-2 and P-3.
e/ Promotions included in the appointment figures. FAO states that it is unable to provide separate figures for promotions.
f/ Sub-total and totals exclude FAO figures, which are not comparable with those of the other organizations.

Table 22
APPOINTMENTS AND PROMOTIONS TO GENERAL SERVICE POSTS AT HEADQUARTERS
BY ORGANIZATION, YEAR AND GRADE OVER PERIOD 1967-1970

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	1967						1968						1969						1970						Total		
		A		P		% A	A	P		% A	A	P		% A	A	P		% A	A	P		% A	A	P	% A			
UNITED NATIONS (New York)	G-5	2	29	6.5	2	31	6.1	3	37	7.5	1	52	1.9	8	149	51.1												
	G-4	74	50	59.7	45	98	31.5	29	118	19.7	10	127	73.0	158	393	28.7												
	G-3	76	28	73.1	118	55	68.2	140	64	68.6	221	97	69.5	555	244	69.5												
	G-2	1	-	100.0	9	1	90.0	19	4	82.6	78	8	90.7	107	13	89.2												
	G-1	4	-	100.0	2	-	100.0	9	-	100.0	11	-	100.0	26	-	100.0												
	Total	157	107	59.5	176	185	48.8	200	223	47.3	321	284	53.1	854	799	51.7												
UNDP (New York)	G-5	4	4	-	-	4	-	-	3	-	1	17	5.6	11	28	3.4												
	G-4	12	12	-	5	25	16.7	11	12	47.8	4	27	12.9	20	76	20.8												
	G-3	a/	a/	-	31	a/	-	36	a/	-	40	a/	-	107	a/	-												
	G-2	-	-	-	55	-	100.0	56	-	100.0	56	-	100.0	167	-	100.0												
	G-1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
	Total	-	16	-	91	29	-	103	15	-	101	44	-	285	104	-												
UNHCR (Geneva)	G-7	-	1	-	-	4	-	-	-	-	-	2	-	-	7	-												
	G-6	-	2	-	-	5	-	1	4	20.0	1	5	16.7	2	16	11.1												
	G-5	1	5	16.7	2	3	40.0	3	4	42.8	3	11	21.4	9	23	28.1												
	G-4	8	-	100.0	5	5	59.0	9	2	81.8	2	3	40.0	24	10	70.6												
	G-3	4	1	80.0	4	2	66.7	4	2	66.7	5	1	65.3	17	6	73.9												
	G-2	2	-	100.0	1	-	100.0	1	-	100.0	4	-	100.0	8	-	100.0												
	Total	15	9	62.5	12	19	38.7	18	12	60.0	15	22	68.2	60	62	49.2												

Table 22 (continued)

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	1967			1968			1969			1970			Total		
		A	P	% A	A	P	% A	A	P	% A	A	P	% A	A	P	% A
UNICEF (New York)	G-5	-	8	-	-	4	-	-	4	-	-	1	-	-	17	-
	G-4	1	12	7.7	1	13	7.1	-	7	-	-	9	-	2	41	4.7
	G-3	10	17	37.0	14	7	66.7	19	8	70.4	20	7	74.1	63	39	61.8
	G-2	18	-	100.0	10	-	-	12	-	100.0	18	-	100.0	58	-	100.0
	G-1	-	-	-	-	-	-	-	-	-	2	-	100.0	2	-	100.0
	Total	29	37	43.9	25	24	51.0	31	31	57.0	40	17	70.2	125	97	56.5
UNITAR (New York)	G-5	-	-	-	-	3	-	-	-	1	-	-	1	3	-	
	G-4	1	-	-	1	-	-	1	1	-	-	-	3	4	-	
	G-3	4	-	-	8	-	-	7	-	9	-	-	28	-	-	
	G-2	-	-	-	2	-	-	3	-	3	-	-	8	-	-	
	G-1	1	-	-	1	-	-	-	-	1	-	-	3	-	-	
	Total	6	-	-	12	3	-	11	1	-	14	3	-	43	7	-
UNRWA (Beirut)	G-5	-	-	-	1	-	100.0	-	-	-	-	-	1	-	100.0	
	G-4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	G-3	-	-	-	1	-	100.0	-	-	-	-	-	1	-	100.0	
	G-2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	G-1	2	-	100.0	-	-	-	-	-	-	-	-	2	-	100.0	
	Total	2	-	100.0	2	-	100.0	-	-	-	-	-	4	-	100.0	

Table 22 (continued)

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	1967			1968			1969			1970			Total		
		A	P	% A	A	P	% A	A	P	% A	A	P	% A	A	P	% A
ILO (Geneva)	G-7	3	4	42.9	1		14.3	3	15	16.7	1	10	9.1	8	35	18.6
	G-6	4	13	23.5	2		18.2	2	19	9.5	2	30	6.2	10	71	12.3
	G-5	3	24	11.1	3	24	11.1	2	30	6.2	2	27	6.9	10	105	8.7
	G-4	10	40	20.0	7	32	17.9	8	59	11.9	14	53	20.9	39	184	17.5
	G-3	83	22	79.0	69	10	87.3	101	17	85.6	77	28	73.3	330	77	81.1
	G-2	15	5	75.0	17	5	77.3	13	5	72.2	10	4	71.4	55	19	74.3
	G-1	9	-	100.0	3	1	75.0	4	3	57.1	3	1	75.0	19	5	79.2
Total		127	108	54.0	102	87	54.0	133	148	47.3	109	153	41.6	471	496	48.7
FAO (Rome)	G-7	1			-			2			-			3		
	G-6	3			2			4			1			10		
	G-5	8			6			9			5			28		
	G-4	35			8			17			15			75		
	G-3	123			84			95			43			345		
	G-2	39			14			31			64			148		
	G-1	5			3			10			10			28		
Total		214			117		168				138			637		
UNESCO (Paris)	G-5	6	10	37.5	2	3	40.0	3	5	37.5	2	5	28.6	13	23	36.1
	G-4	11	11	50.0	4	6	40.0	4	10	28.6	7	17	29.2	26	44	37.1
	G-3	16	49	24.6	14	23	37.8	13	22	37.1	17	26	39.5	60	120	33.3
	G-2	183	18	91.0	146	10	93.6	146	18	89.0	176	14	92.6	651	60	91.6
	G-1	23	-	100.0	11	-	100.0	21	-	100.0	34	-	100.0	89	-	100.0
	Total		239	88	73.1	177	42	80.8	187	55	77.3	236	62	79.2	839	247

Table 2.2 (continued)

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	1967				1968				1969				1970				Total				
		A		P		A		P		A		P		A		P		A		P		
			% A		% A		% A		% A		% A		% A		% A		% A		% A		% A	
WHO (Geneva)	G-7	2	50.0	2	6	--	25.0	2	--	2	-	25.0	-	-	2	-	25.0	4	-	2	-	25.0
	G-6	4	36.4	7	7	2	36.4	7	2	7	22.2	6	7	46.2	7	7	36.4	16	4	28	4	36.4
	G-5	11	57.9	8	10	--	16.7	14	--	14	-	16.7	-	-	14	-	16.7	20	7	46	7	16.4
	G-4	13	21.7	47	41	11	25.5	49	11	49	18.3	9	46	16.4	9	46	16.4	47	9	185	9	20.4
	G-3	94	97.9	2	3	85	96.3	4	85	96.3	4	95.5	5	5	93.2	5	95.5	327	69	14	327	95.9
	G-2	5	83.3	1	-	3	100.0	-	3	3	100.0	-	-	3	100.0	-	3	22	7	1	22	100.0
	G-1	9	100.0	-	-	3	100.0	-	3	3	100.0	-	-	3	100.0	-	3	12	7	-	12	100.0
Total	138	67.3	67	67	111	62.4	101	76	101	57.1	98	74	57.0	448	284	57.0	448	284	284	284	61.2	
ICAO (Montreal)	G-9	-	-	-	-	-	-	1	-	1	-	-	4	-	4	-	-	-	-	5	-	-
	G-8	2	66.7	1	1	2	100.0	-	2	100.0	-	1	-	4	-	4	-	4	3	3	4	57.1
	G-7	-	-	5	4	1	42.9	6	1	14.3	2	3	40.0	6	3	40.0	6	6	8	8	6	42.9
	G-6	-	-	9	9	3	25.0	11	3	21.4	1	4	20.0	7	33	20.0	7	7	33	33	7	17.5
	G-5	3	23.1	10	7	-	22.2	12	-	-	-	-	-	5	41	-	-	5	41	41	5	10.9
	G-4	14	48.3	15	11	9	45.0	21	9	30.0	7	19	26.9	39	66	26.9	39	39	66	66	39	37.1
	G-3	16	57.1	12	9	32	67.9	9	32	78.0	23	5	82.1	90	35	82.1	90	90	35	35	90	72.0
G-2	11	78.6	3	-	10	100.0	-	10	100.0	-	6	60.0	34	8	60.0	34	34	8	8	34	81.0	
G-1	7	100.0	-	-	4	100.0	-	4	100.0	-	3	100.0	15	-	100.0	15	15	-	-	-	100.0	
Total	53	49.1	55	41	61	51.8	64	61	48.8	42	52	44.7	200	209	44.7	200	209	209	209	209	48.9	

Table 22 (continued)

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	STATISTICS			NOT READILY AVAILABLE			STATISTICS			NOT READILY AVAILABLE			STATISTICS			NOT READILY AVAILABLE					
		A	P	% A	A	P	% A	A	P	% A	A	P	% A	A	P	% A	A	P	% A			
WMO (Geneva)	G-7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	G-6	-	-	-	1	-	100.0	1	-	100.0	-	-	1	-	100.0	1	-	100.0	3	-	25.0	
	G-5	-	3	-	1	6	25.0	1	3	33.3	-	-	3	-	100.0	1	15	15.0	3	-	6.2	
	G-4	8	1	88.9	10	5	66.7	10	3	76.9	10	3	76.9	38	12	76.0	38	12	76.0	5	-	90.9
	G-3	6	-	100.0	20	3	87.0	8	-	100.0	16	2	88.9	50	5	90.9	50	5	90.9	-	-	100.0
	G-2	-	-	-	5	-	100.0	-	-	-	3	-	100.0	8	-	100.0	8	-	100.0	-	-	100.0
	G-1	-	-	-	-	-	-	2	-	100.0	1	-	100.0	3	-	100.0	3	-	100.0	-	-	100.0
Total	14	4	77.8	35	16	68.6	22	6	78.6	30	9	76.9	101	35	74.3	101	35	74.3				
IMCO (London)																						
IAEA ^b / (Vienna)	G-8	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	100.0
	G-7	1	-	-	3	-	-	-	-	1	-	-	1	-	-	1	-	-	5	-	-	-
	G-6	2	-	-	7	6	-	6	-	3	-	-	18	-	-	18	-	-	18	-	-	-
	G-5	11	-	-	13	10	-	10	-	9	-	-	43	-	-	43	-	-	43	-	-	-
	G-4	57	-	-	55	57	-	57	-	52	-	-	221	-	-	221	-	-	221	-	-	-
	G-3	9	-	-	8	17	-	17	-	18	-	-	52	-	-	52	-	-	52	-	-	-
Total	80			86			91			83			340			340						

Table 22 (continued)

ORGANIZATION AND HEADQUARTER LOCATION	GRADE	1967						1968						1969						1970						Total									
		A		P		% A		A		P		% A		A		P		% A		A		P		% A		A		P		% A					
GATT (Geneva)	G-7	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-		
	G-6	3	-	1	100.0	1	50.0	5	1	83.3	3	83.3	3	1	100.0	12	100.0	2	2	100.0	12	100.0	2	2	100.0	12	100.0	2	2	100.0	2	2	100.0	85.7	
	G-5	1	2	3	33.3	3	75.0	9	4	69.2	1	25.0	6	1	25.0	17	66.7	8	13	61.5	17	66.7	23	8	35.7	14	50.0	8	8	100.0	8	8	100.0	63.6	
	G-4	2	4	1	33.3	3	75.0	8	3	37.5	8	100.0	11	3	75.0	20	95.2	6	6	100.0	6	100.0	12	1	8.3	50	100.0	34	1	1	100.0	12	12	100.0	80.6
	G-3	10	2	9	83.3	12	100.0	6	1	16.7	6	100.0	6	1	16.7	4	33.3	25	25	100.0	45	45	100.0	47	47	100.0	47	47	100.0	47	47	100.0	97.1		
	G-2	10	-	12	100.0	2	20.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	2	100.0	100.0	
	G-1	-	-	2	-	2	100.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	100.0	2	-	-	2	2	100.0	100.0	
	Total	26	9	28	71.4	8	77.8	45	25	60.3	40	88.9	139	47	74.7	266	100.0	266	266	100.0	266	266	100.0	266	266	100.0	266	266	100.0	266	266	100.0	266	266	100.0

a/ In UNDP, a system of "automatic promotions" within two years from the Enter on Duty date is in effect for staff at the G-2 level. No statistical records of such promotion are available.

b/ Jobs normally included in the G-1 and G-2 levels in other organizations are classified in Vienna in the Maintenance and Operatives Services category. Also, IAEA does not follow the practice of filling vacant general service posts through immediate promotion. The new incumbent normally has to serve 6 months in the post and then, subject to satisfactory service, is promoted.

ANNEX VI

List of documents

I. Background documents on the United Nations salary system

1. The salary, allowance and leave system of the United Nations, report of the Committee of Experts, 1949
(Official Records of the General Assembly, Fourth Session, Annexes, agenda item 39, document A/C.5/331).
2. United Nations salary, allowance and benefits system, report of the Salary Review Committee, 1956
(Official Records of the General Assembly, Eleventh Session, Annexes, agenda item 51, and document A/3209 (separate fascicle)).
3. Base salary scales and post adjustments of the staff in the Professional and higher categories of the International Civil Service: reports of the Secretary-General and the International Civil Service Advisory Board
(Official Records of the General Assembly, Sixteenth Session, Annexes, agenda item 65, documents A/4823 and Add.1).
4. Review of salary scales of the Professional and higher categories of the international civil service: report of the Secretary-General and report of the International Civil Service Advisory Board
(Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 77, documents A/5918 and Add.1).
5. Note by the Secretary-General transmitting the report of the Committee on the Reorganization of the Secretariat
(Official Records of the General Assembly, Twenty-third Session, Annexes, addendum to agenda item 74, document A/7359).
6. Implementation of the recommendations of the Committee on the Reorganization of the Secretariat, report of the Secretary-General
(Official Records of the General Assembly, Twenty-fourth Session, Annexes, agenda item 74, document A/7796).
7. Principles underlying the international salary system: report of the International Civil Service Advisory Board - note by the Secretary-General
(Official Records of the General Assembly, Twenty-fourth Session, Annexes, agenda item 83, document A/C.5/1240).
8. Salary scales for the Professional and higher categories, report of the Secretary-General
(Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 73, documents A/C.5/1303 and Add.1).

9. Report of the Advisory Committee on Administrative and Budgetary Questions, First report on the budget estimates for the financial year 1971 (Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 8 (A/8008)).
10. Budget estimates for the financial year 1971, report of the Fifth Committee (Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 73, document A/8099, paras. 54-84).
11. Salary scales for the Professional and higher categories, summary records of the Fifth Committee (Official Records of the General Assembly, Twenty-fifth Session, Fifth Committee, 1383rd, 1386th to 1394th, 1396th to 1399th and 1402nd to 1404th meetings).
12. Establishment of the Special Committee for the Review of the United Nations Salary System (General Assembly resolution 2743 (XXV)).
13. Progress made by the Administrative Management Service in conducting a survey of manpower utilization in the Secretariat, report of the Secretary-General (Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 73, document A/C.5/1333).
14. Report of the United Nations Joint Staff Pension Board, (Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 9 (A/8409)).

II. Papers submitted to the Special Committee

<u>Symbol</u>	<u>Title</u>
A/AC.150/1	Provisional agenda of the session of the Special Committee, note by the Secretary-General
A/AC.150/2	Organization of work, note by the Secretary-General
A/AC.150/3	The development of the United Nations salary system, paper by the organizations of the United Nations common system
A/AC.150/4	The existing conditions of service in the United Nations common system, paper by the organizations of the United Nations common system
A/AC.150/5	Criteria and methods for determining international salaries, paper by the organizations of the United Nations common system
A/AC.150/6	The base of the United Nations salary system, paper by the organizations of the United Nations common system
A/AC.150/7	Real income movement in the United Nations common system and certain national services, paper by the organizations of the United Nations common system

<u>Symbol</u>	<u>Title</u>
A/AC.150/8	The determination of salaries for General Service personnel, paper by the organizations of the United Nations common system
A/AC.150/9	Information on the organizations of the United Nations common system: the United Nations, paper submitted by the Secretariat
A/AC.150/9/Add.1	Structure of the International Labour Organisation (ILO) and its staff, paper submitted by the ILO
A/AC.150/9/Add.2	Note on the Food and Agriculture Organization (FAO), paper submitted by FAO
A/AC.150/9/Add.3	Outline of the functions and structure of the United Nations Educational, Scientific and Cultural Organization (UNESCO), paper submitted by UNESCO
A/AC.150/9/Add.4	Some facts about the World Health Organization (WHO), and its staff, paper submitted by WHO
A/AC.150/9/Add.5	Structure, functions and staffing of the International Civil Aviation Organization (ICAO), paper submitted by ICAO
A/AC.150/9/Add.6	Structure and functions of the Universal Postal Union (UPU), paper submitted by UPU
A/AC.150/9/Add.7	Structure and functions of the International Telecommunication Union (ITU), paper submitted by ITU
A/AC.150/9/Add.8	Outline of the functions and structure of the World Meteorological Organization (WMO), paper submitted by WMO
A/AC.150/9/Add.9	Functions, structure and staffing of the Inter-Governmental Maritime Consultative Organization (IMCO), paper submitted by IMCO
A/AC.150/9/Add.10	Structure, functions and staffing of the International Atomic Energy Agency (IAEA), paper submitted by IAEA
A/AC.150/9/Add.11	General Agreement on Tariffs and Trade (GATT), paper submitted by GATT
A/AC.150/10	List of members of the Special Committee for the Review of the United Nations Salary System
A/AC.150/11	Agenda
A/AC.150/12	Staff assessment rates, paper by the organizations of the United Nations common system

<u>Symbol</u>	<u>Title</u>
A/AC.150/INF.1	Membership of the Special Committee, note by the Secretary-General
A/AC.150/INF.1/Add.1	Membership of the Special Committee, addendum
A/AC.150/13	Work of the Special Committee in 1972, note by the Secretary-General

III. Conference Room Papers

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.1	References in background documents on criteria and methods for determining international salaries
A/AC.150/CRP.2	Questions to be addressed to the representatives of the Secretary-General of the United Nations
A/AC.150/CRP.3	Basic statistical information required for Salary Review Committee, paper submitted by Mr. Hull
A/AC.150/CRP.4	Graphs on post adjustment classifications
A/AC.150/CRP.5)	Questions to be addressed to representatives of the Consultative Committee on Administrative Questions (CCAQ)
A/AC.150/CRP.5/Rev.1)	
A/AC.150/CRP.6)	Questionnaire on remuneration of officials of Permanent Missions
A/AC.150/CRP.6/Rev.1)	
A/AC.150/CRP.7	Common grading standards
A/AC.150/CRP.8	Age distribution of staff
A/AC.150/CRP.9	Percentages of fixed-term staff
A/AC.150/CRP.10	Recruitment and retention of staff
A/AC.150/CRP.11	Rates of pay in national civil services in headquarters countries, January 1971
A/AC.150/CRP.12	Statistics on terminations
A/AC.150/CRP.13	The international salary index
A/AC.150/CRP.14	Breakdown of posts by occupation
A/AC.150/CRP.15	Promotion policies
A/AC.150/CRP.16	Staff training and development

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.17	Article on the United Nations Secretariat by the former Under-Secretary-General for Administration and Management, A. A. Stark
A/AC.150/CRP.18	Report of the thirteenth session of the Expert Committee on Post Adjustments
A/AC.150/CRP.19	Relationship between United Nations and United States Civil Service remuneration
A/AC.150/CRP.20	Draft of instructions for consultant on salaries, allowances and benefits in certain headquarters countries
A/AC.150/CRP.21 A/AC.150/CRP.21/Corr.1) Checklist of documents distributed to Special Committee) as of 30 June 1971
A/AC.150/CRP.22	Instructions for consultant on salaries, allowances and benefits in certain headquarters countries
A/AC.150/CRP.23	Preliminary statement of the Federation of International Civil Service Associations (FICSA)
A/AC.150/CRP. 24	Questions to be addressed to executive heads of the organizations in the United Nations common system
A/AC.150/CRP.25	Questions to the Secretary of the United Nations Joint Staff Pension Board
A/AC.150/CRP.26	Salaries of General Service staff at headquarters of United Nations Educational, Scientific and Cultural Organization (UNESCO)
A/AC.150/CRP.27	Statistical information on language staff in the United Nations
A/AC.150/CRP.28	General Service salaries at United Nations Headquarters
A/AC.150/CRP.29	Indices of post adjustment and of relative cost of living of headquarters cities
A/AC.150/CRP.30	Duties and responsibilities of GS-16/18 positions in the United States Federal Government
A/AC.150/CRP.31	OECD salary system, paper submitted by Mr. Hull
A/AC.150/CRP.32	Expenditure patterns of international officials in Geneva and New York
A/AC.150/CRP.33	Revised arrangements for appointment of consultant on salaries, allowances and benefits in certain headquarters countries, paper submitted by Mr. Hillis, Mr. Hull and Mr. McGough

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.34	Draft interim report of the Special Committee
A/AC.150/CRP.34/Rev.1	Revised draft interim report of the Special Committee
A/AC.150/CRP.34/Add.1	Draft report, Annex II, List of Members of the Special Committee
A/AC.150/CRP.34/Add.2	Draft report, Annex III, List of persons who appeared before the Special Committee
A/AC.150/CRP.35	Principles and methods for determining pay in the Civil Service of the United Kingdom, paper submitted by Mr. A. H. M. Hillis
A/AC.150/CRP.36	Revised arrangements for appointment of consultant on salaries, allowances and benefits in certain headquarters countries
A/AC.150/CRP.37	Draft letters from the Chairman of the Special Committee
A/AC.150/CRP.38	List of requests for information made by the Special Committee
A/AC.150/CRP.39	Tentative outline of the final report of the Special Committee
A/AC.150/CRP.39/Rev.1	The United Nations salary system: tentative outline of the final report of the Special Committee (adopted by the Special Committee at its 89th meeting on 23 August 1971)
A/AC.150/CRP.40	The system of benefits of the United Nations Joint Staff Pension Fund: note by the Secretary of the Committee
A/AC.150/CRP.41	Career prospects in the international civil service (study made by ICSAB in 1964): note by the Secretary of the Committee
A/AC.150/CRP.42	General Service net salary scales in effect on 1 January 1966 and 1 July 1971 and real income movement over this period
A/AC.150/CRP.43	Information on the relationship of the General Service salaries in the seven headquarters cities to those paid for comparable work in the host government services
A/AC.150/CRP.44	United Nations basic remuneration recommended by the 1956 Salary Review Committee and corresponding United States salary scales (1 January 1957)

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.45	Documents submitted to the Special Committee for its 1972 session
A/AC.150/CRP.46	Analytical summary of views and proposals submitted to the Special Committee, note by the Secretary of the Committee
A/AC.150/CRP.47	Within-grade increments - graphical comparison of the present system with that proposed in document A/AC.150/R.5, note by the Secretary of the Committee
A/AC.150/CRP.48	Overlap in the net salaries of Professional and General Service staff at the seven headquarters duty stations as of 1 January 1972
A/AC.150/CRP.49	Report of the special session of the Expert Committee on Post Adjustments
A/AC.150/CRP.50	Report on the feasibility of an international civil service commission, note by the Secretary
A/AC.150/CRP.51	Tentative schedule of meetings (14 February to 7 April 1972), note by the Chairman
A/AC.150/CRP.52	The value of increments in dollars and percentages in the salary scales for the Professional and higher categories since 1956, note by the Secretary of the Committee
A/AC.150/CRP.53	Length of service of senior officials in the United Nations (as at 31 December 1971)
A/AC.150/CRP.54	Summary of conclusions of the Sub-Committee on General Service salaries (Members of the Sub-Committee: Messrs. Chiba, Chowaniec, Hillis and Hull)
A/AC.150/CRP.55	Summary of the conclusions of the Sub-Committee on the Establishment of an Intergovernmental Regulatory Body (Members of the Sub-Committee: Mr. Faura, Mr. Koulazhenkov, Mr. Mariko)
A/AC.150/CRP.56	Mobility of staff in the United Nations, note by the Secretary of the Committee
A/AC.150/CRP.57	United Nations International School, note by the Secretary of the Committee
A/AC.150/CRP.58	General schedule of salaries in the United States Home Civil Service, note by the Secretary of the Committee

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.59	Comparison of United Nations and OECD remuneration, note by the Secretary of the Committee
A/AC.150/CRP.60	basis of United Nations Salary System, draft report of the Sub-Committee as proposed by Mr. Dayton W. Hull
A/AC.150/CRP.61	Report of the Sub-Committee instructed to submit a draft on the recruitment of "national" professionals by certain organizations (Members of the Sub-Committee: Miss R. Guevara Chaval, Mr. J. Milliez and Mr. K. A. Mariko)
A/AC.150/CRP.62	Statistical information on staffing from the organizations in the United Nations common system: note by the Secretary of the Committee
A/AC.150/CRP.63	Rationalization of the Committee's views on the United Nations Salary System as submitted by the Chairman
A/AC.150/CRP.64	Recruitment of "national" professionals by certain organizations, note by the Chairman
A/AC.150/CRP.65	Base of the United Nations Salary System, paper submitted by Mr. Jules Milliez
A/AC.150/CRP.66	The Post Adjustment System, draft report of the Sub-Committee on Post Adjustments
A/AC.150/CRP.67	Alternative possibilities for the creation of an international regulatory body (note by the Chairman)
A/AC.150/CRP.68	The Post Adjustment System (working paper submitted by Mr. D. Hull)
A/AC.150/CRP.69	Report of the Sub-Committee on Allowances and Benefits
A/AC.150/CRP.70	The question of matching points between United States scales and United Nations scales, paper submitted by Mr. Dayton Hull
A/AC.150/CRP.71	Statement made on 5 April 1972 by the Secretary-General to the Special Committee for the Review of the United Nations Salary System (circulated at the request of the Special Committee)

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.72 (Introduction)	Draft Report of the Special Committee Introduction
A/AC.150/CRP.72 (Summary)	Draft Report of the Special Committee Summary of conclusions and recommendations
A/AC.150/CRP.72 (Summary)/Add.1	Draft Report of the Special Committee Termination indemnities, addendum to the summary of conclusions and recommendations
A/AC.150/CRP.72 (Summary)/Amend.1	Draft Report of the Special Committee Additional conclusions submitted by Mr. Faura for inclusion in the summary of conclusions and recommendations
A/AC.150/CRP.72 (Summary)/Amend.2	Draft Report of the Special Committee Additional conclusions submitted by Mr. Hull for inclusion in the summary of conclusions and recommendations
A/AC.150/CRP.72(Summary)/Amend.3	Draft Report of the Special Committee Revised text of conclusions submitted by Mr. Chowaniec, Mr. Hull and Mr. Roy
A/AC.150/CRP.72(Summary)/Amend.4	Draft Report of the Special Committee Summary of conclusions and recommendations Amendments submitted by Mr. Hillis, Mr. McGough and Mr. Milliez
A/AC.150/CRP.72(Summary)/Amend.5	Draft Report of the Special Committee Summary of conclusions and recommendations Amendments submitted by Mr. Chowaniec, Mr. Hull and Mr. Roy
A/AC.150/CRP.72(Summary)/Amend.6	Draft Report of the Special Committee Summary of conclusions and recommendations Amendments and dissenting views submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(Summary)/Rev.1	Draft Report of the Special Committee Revised text of summary of conclusions and recommendations

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.72(Summary)/Rev.1/Amend.1	Draft Report of the Special Committee Summary of conclusions and recommendations Amendment submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(I)	Draft Report of the Special Committee Chapter I: The International Civil Service
A/AC.150/CRP.72(I)/Add.1	Draft Report of the Special Committee Chapter I
A/AC.150/CRP.72(I)/Amend.2	Draft Report of the Special Committee Amendment to Chapter I submitted by Mr. Mariko and Mr. Roy
A/AC.150/CRP.72(II)	Draft Report of the Special Committee Chapter II: The Common System
A/AC.150/CRP.72(III)	Draft Report of the Special Committee Chapter III: The Salary System for Staff in the Professional and Higher Categories
A/AC.150/CRP.72(III)/Amend.1	Draft Report of the Special Committee Amendments to Chapter III submitted by Mr. Hull
A/AC.150/CRP.72(III)/Amend.2	Draft Report of the Special Committee Amendments to Chapter III submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(III)/Amend.3	Draft Report of the Special Committee Amendment to Chapter III submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(III)/Amend.4	Draft Report of the Special Committee Amendment to Chapter III submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(III)/Amend.5	Draft Report of the Special Committee Amendments to Chapter III submitted by Mr. Chowaniec, Mr. Hull and Mr. Roy
A/AC.150/CRP.72(III)/Rev.1	Draft Report of the Special Committee Revised text of Chapter III, submitted by Mr. Chowaniec, Mr. Hull and Mr. Roy

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.72(IV)	Draft Report of the Special Committee Chapter IV: The Salary System for Staff in the General Service Category
A/AC.150/CRP.72(V)	Draft Report of the Special Committee Chapter V: Allowances and Benefits
A/AC.150/CRP.72(V)/Amend.1	Draft Report of the Special Committee Amendment to Chapter V submitted by Mr. Bello
A/AC.150/CRP.72(VI)	Draft Report of the Special Committee Chapter VI: Retirement, Pensions, and the Joint Staff Pension Fund
A/AC.150/CRP.72(VI)/Amend.1	Draft Report of the Special Committee Amendment to Chapter VI submitted by Mr. Koulazhenkov
A/AC.150/CRP.72(VI)/Amend.2	Draft Report of the Special Committee Amendment to Chapter VI submitted by Mr. McGough
A/AC.150/CRP.72(VI)/Amend.3	Draft Report of the Special Committee Amendment to Chapter VI submitted by Mr. Roy
A/AC.150/CRP.72(VI)/Amend.4	Draft Report of the Special Committee Amendment to Chapter VI submitted by Mr. Koulazhenkov
A/AC.150/CRP.72 (ANNEX I)	Draft Report of the Special Committee Information on the staff of the organizations in the United Nations common system as of 31 August 1971
A/AC.150/CRP.73	Proposed Salary Scales for United Nations Staff in the Professional and Higher Categories, paper submitted by Mr. Hull
A/AC.150/CRP.74	The United Nations Salary System, paper submitted by Mr. Chowaniec
A/AC.150/CRP.75	The United Nations Salary System, paper submitted by Mr. Milliez
A/AC.150/CRP.76	The salary system for staff in the Professional and higher categories, note by the Secretary concerning chapter III of the Special Committee's draft report

<u>Symbol</u>	<u>Title</u>
A/AC.150/CRP.77	Proposed Salary Scales for United Nations Staff in the Professional and Higher Categories, paper submitted by Mr. Chiba
A/AC.150/CRP.77/Add.1	Proposed Salary Scales for United Nations Staff in the Professional and Higher Categories, addendum to paper submitted by Mr. Chiba
A/AC.150/CRP.78	The Health Insurance Schemes of the Organizations in the United Nations Common System: Practices and Problems, working paper submitted by the Secretary
A/AC.150/CRP.79	Letter dated 12 May 1972 from the Secretary-General addressed to the Chairman of the Special Committee
A/AC.150/CRP.80	Text on Post Adjustments for Inclusion in the Report of the Special Committee, submitted by Mr. Hull
A/AC.150/CRP.81	United States Government Officials Seconded to International Organizations, paper submitted by Mr. Hull
A/AC.150/CRP.82	Reply dated 26 May from Chairman of the Special Committee to the letter of the Secretary-General dated 12 May 1972

IV. Views and Comments on the United Nations Salary System submitted to the Special Committee in 1972

RESTRICTED DOCUMENTS

<u>Symbol</u>	<u>Title</u>
A/AC.150/R.1	Comments and views of Governments on the United Nations salary system, note by the Secretary-General transmitting views of the Governments of the United Kingdom, the Federal Republic of Germany and Italy
A/AC.150/R.1/Add.1	Comments and views of Governments on the United Nations salary system, note by the Secretary-General transmitting views of the Governments of France, Japan and the United States of America: Addendum

<u>Symbol</u>	<u>Title</u>
A/AC.150/R.1/Add.2	Comments and views of Governments on the United Nations salary system, note by the Secretary-General transmitting views of the Government of Madagascar: Addendum
A/AC.150/R.2	Views of the executive heads of the organizations of the United Nations common system, note by the Secretary-General
A/AC.150/R.2/Add.1	Views of the executive heads of the organizations of the United Nations common system (ICAO and IAEA), note by the Secretary-General: Addendum
A/AC.150/R.2/Add.2	Views of the executive heads of the organizations of the United Nations common system (ICAO), note by the Secretary-General: Addendum
A/AC.150/R.2/Add.3	Views of the executive heads of the organizations of the United Nations common system, note by the Secretary General (assignment allowance, rental allowance and termination indemnities): Addendum
A/AC.150/R.3	Replies of individual executive heads to questions addressed to them by the Special Committee (UN, FAO, UNESCO, WHO, UPU, IAEA, GATT), note by the Secretary-General
A/AC.150/R.3/Add.1	Replies of individual executive heads to questions addressed to them by the Special Committee (ILO), note by the Secretary-General: Addendum
A/AC.150/R.3/Add.2	Replies of individual executive heads to questions addressed to them by the Special Committee (FAO), note by the Secretary-General: Addendum
A/AC.150/R.3/Add.3	Replies of individual executive heads to questions addressed by the Special Committee (IAEA), note by the Secretary-General: Addendum
A/AC.150/R.4	Views of the Federation of International Civil Servants' Associations, note by the Secretary-General
A/AC.150/R.4/Corr.1	Views of the Federation of International Civil Servants' Associations, note by the Secretary-General
A/AC.150/R.5	Suggested waiting periods for within-grade advancement, paper submitted by Mr. Dayton W. Hull
A/AC.150/R.6	Modification of the concept of "best prevailing conditions of service" for the General Service staff, paper submitted by Mr. Dayton W. Hull

<u>Symbol</u>	<u>Title</u>
A/AC.150/R.7	A special service category, paper submitted by Mr. Georges Palthey
A/AC.150/R.8	Salaries, allowances and benefits of diplomatic officials, summary of information provided for the Special Committee, note by the Secretary-General
A/AC.150/R.9	Study of the post adjustment system (part 1), note by the Secretary-General transmitting report of the Consultant
A/AC.150/R.9/Add.1	Study of the post adjustment system (part 2), note by the Secretary-General
A/AC.150/R.9/Add.2	Study of the post adjustment system (part 3), note by the Secretary-General
A/AC.150/R.10	The structure of the international civil service, working paper prepared by the Secretariat
A/AC.150/R.11	The principle underlying the salary system for staff in the Professional and higher categories, working paper prepared by the Secretariat
A/AC.150/R.12	Simplification of administrative rules, paper submitted by the Food and Agriculture Organization
A/AC.150/R.13	The post adjustment system, paper submitted by Mr. Dayton W. Hull
A/AC.150/R.14	Salaries, allowances and benefits in seven United Nations headquarters countries, note by the Secretary-General transmitting report of the Consultant
A/AC.150/R.14/Add.1	Salaries, allowances and benefits in seven United Nations headquarters countries, note by the Secretary-General (abbreviations used in the report)
A/AC.150/R.14/Add.2	Government Pension Fund Contributions, note by the Secretary-General
A/AC.150/R.15	Views of Staff Associations (FICSA), note by the Secretary-General
A/AC.150/R.15/Add.1	Views of Staff Associations (IAEA Staff Council), note by the Secretary-General
A/AC.150/R.15/Add.2	Views of Staff Associations, paper submitted by the United Nations Staff Union on the "punitive aspects of the second official language requirement under General Assembly resolution 2480 B (XXIII)".

Symbol

Title

A/AC.150/R.16

Method of Calculating the Cost-of-Living Index for Staff of International Organizations in the United Nations Common System, paper dated 20 January 1972 prepared in the Institute of Economics of the Academy of Sciences of the Ukrainian Soviet Socialist Republic (submitted by Mr. A. G. Koulazhenkov).

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