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UNITED NATIONS SALARY SYSTEM

Report of the Fifth Committee

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I. INTRODUCTION

1. At its 2037th plenary meeting, on 23 September 1972, the General Assembly decided to include the item entitled "United Nations Salary System: Report of the Special Committee for the Review of the United Nations Salary System" in the agenda of its twenty-seventh session and allocated it to the Fifth Committee for consideration and report.
2. The Committee considered the item at its 1541st, 1543rd to 1545th, 1550th, 1551st and 1553rd meetings held from 4 to 14 December 1972.
3. The Committee had before it the report of the Special Committee for the Review of the United Nations Salary System.^{1/} The Special Committee, consisting of government experts appointed by 11 Member States, was established by the General Assembly in its resolution 2743 (XXV), of 17 December 1970, with the request that it undertake a thorough review of the United Nations salary system. The Committee also had before it (a) the comments on the report by the International Civil Service Advisory Board (ICSAB),^{2/} which was submitted in accordance with paragraphs 7 and 8 of the Assembly resolution; (b) the comments of the Secretary-General on the report (A/8839 and Corr.1 and Add.1); (c) a statement of the Federation of International Civil Servants' Associations (FICSA) (A/C.5/1466); and (d) the report of the Advisory Committee on Administrative and Budgetary Questions (A/8914), which contained comments on the other submissions.

^{1/} Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 (A/8728 and Corr.1).

^{2/} Ibid., Supplement No. 28A (A/8728/Add.1).

4. In its report, the Special Committee examined the structure of categories and grades of the international civil service, the operation of the common system, the principles and criteria underlying the salary system for staff in the Professional and higher categories, the principle and methodology used to determine salary scales for staff in the General Service category, the system of allowances and benefits and other related matters. The Special Committee was unable to arrive at a consensus on the kind of modifications that should be made in the salary system. Many of the conclusions and recommendations in the report reflected majority views, with reservations or dissenting views of individual members being indicated in various parts of the report. The report contains a dissenting statement by four members of the Committee and a separate opinion by one member.

5. The major attention of the Special Committee was given to consideration of the salary system for staff in the Professional and higher categories, including the operation of the post adjustment system, and of the operation of the common system and its machinery for the co-ordination of the pay and personnel policies of the organizations in the United Nations common system. A number of observations and conclusions were also made on a broad spectrum of issues directly or indirectly related to emoluments, including the structure of the secretariats of the organizations, their recruitment standards and methods, training and career development programmes, promotion procedures, policies in regard to permanent and fixed-term appointments and the feasibility of exchanging national and international officials. Lack of time made it impossible for the Special Committee to develop fully recommendations on those items as well as on a number of others. The Special Committee recommended that they be referred to the civil service commission, whose establishment it proposed, for further study.

6. In its report, ICSAB, confined its comments to the recommendations of the Special Committee on the two items to which primary consideration had been given, namely, the recommendation that the level of net remuneration of staff in the Professional and higher categories in New York, which consisted of salary, post adjustment and spouse allowance, should be not more than 15 per cent above United States net federal salary in the same city, and the proposal to establish an intergovernmental civil service commission. The Board considered that, while

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in the abstract, the assumption underlying the Special Committee's conclusion on the level of pay was fair, the Committee's specific proposal gave rise to a number of problems which required further study. The Board also supported the idea of establishing an expert, independent civil service commission, as proposed in the dissenting opinion in annex I to the report of the Special Committee for the Review of the United Nations Salary System.

7. In his report, the Secretary-General noted that the Special Committee had suggested that many of its important recommendations, including those related to Professional salaries, should be made effective only on 1 January 1975. Furthermore, the Special Committee had recommended that several important features of the salary system should be studied by the proposed civil service commission. In the circumstances, the Secretary-General believed that the General Assembly would not wish to make a detailed examination of the report and accordingly limited his comments mainly to the Special Committee's recommendations on the salary system for staff in the Professional and higher categories and the proposed intergovernmental civil service commission. The Secretary-General expressed serious reservations on both the substance of many of the Special Committee's recommendations and the procedures it followed in reaching them.

8. In its statement, FICSA took exception to the recommendations of the Special Committee in the area of salaries, expressed its profound disappointment that the Special Committee did not engage in meaningful consultations with the staff and that it did not address itself to some of the more essential features of the United Nations pay and personnel system. FICSA considered that the Special Committee's work might be used for further studies to be carried out by an international civil service commission, which would recognize the right of staff to participate fully in all aspects of the determination of their terms and conditions of employment.

9. In its report, the Advisory Committee noted that the reports before the Fifth Committee did not provide generally agreed recommendations on all aspects of the current system of salaries and allowances and that they all referred to the need for further study of several of those aspects. The Advisory Committee agreed that, before decisions were taken on the merits of questions which directly affected the efficiency of the secretariats of all the organizations in the United Nations system, further consultation and expert study were required. It also endorsed the view expressed in all the reports that there was a need to establish a civil service

commission to which the further study would be entrusted. The Advisory Committee, therefore, addressed its comments to the various proposals made in respect of the character of the commission, with particular reference to the responsibility and independence of the commissions.

10. The Advisory Committee agreed with the Secretary-General, with his colleagues in the Administrative Committee on Co-ordination (ACC) and with ICSAB that the seats on the commission should not be distributed to persons designated as representatives of the membership, the administration or the staff. All members of the commission should regard themselves as being accountable as a body to the General Assembly. It also agreed with the Secretary-General and his colleagues that a commission of more than 13 members would be too large to deal expeditiously with the numerous complex technical problems with which it would be confronted. In the Committee's opinion, 13 should be regarded as the maximum membership; a somewhat smaller number should not be ruled out if that could be reconciled with the principle of broad geographical representation. The Advisory Committee agreed that the commission would require a full-time chairman, but it was not convinced of the need for additional full-time commissioners. It felt a decision on that point could be made only after the terms of reference of the commission had been drawn up and the duties and responsibilities of the commissioners had been defined.

11. On the basis of its examination of all the proposals, the Advisory Committee suggested actions the General Assembly might take in respect of the appointment, composition and functions of the commission.

12. The Advisory Committee commented that the diversity of views expressed in the report of the Special Committee and the mixed reaction it had generated should not be allowed to obscure the value of the extensive information which that Committee had placed at the disposal of Member States. It suggested that the report of the Special Committee, the comments of ICSAB and other related documents should be transmitted to the proposed commission.

13. Finally, the Advisory Committee reported that, should its suggestions be approved, no financial implications would arise under the budget of the United Nations for 1973.

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II. DISCUSSION

14. At the 1541st meeting, on 13 December, the Rapporteur of the Special Committee introduced its report. He reviewed the events which led to the establishment of the Committee, as they influenced both the Special Committee's conception and actual conduct of its task, and also commented on the procedures adopted by the Committee and the problems which arose from the fact that the time allotted for the study was not commensurate with the complexities of the task assigned to the Special Committee. On substance, the Rapporteur presented the majority and minority views in respect of the three areas on which the Special Committee focused the greatest attention, namely, the salary scales for staff in the Professional and higher categories, the post adjustment system and the need for a civil service commission.

15. The Rapporteur noted that, since the Special Committee had in effect had no more than six months to carry out its task, its report was necessarily incomplete. The Special Committee, in recommending the establishment of a civil service commission, was conscious of the need to follow up the work it had begun of reviewing United Nations conditions of service.

16. In view of the conclusion in all of the reports before the Fifth Committee that further study of the United Nations salary system was needed, the discussion turned for the most part on the need for, and the nature of, the commission, to which the further study would be entrusted.

17. Several representatives praised the work done by the Special Committee and expressed regret that the substantive recommendations of the Special Committee had not been considered at the current session of the General Assembly. In their opinion, the report contained a number of recommendations which, if acted upon immediately, would rationalize and normalize the United Nations salary system. They noted, for example, that ICSAB concurred with the recommendation of the Special Committee that a ratio of 115 to 100 between United Nations emoluments and United States federal salary levels in New York was fair and endorsed that recommendation with only a slight reservation. Some representatives observed that the criticism directed against the Special Committee had been completely negative, but that no alternatives had been suggested for dealing with the problems which clearly existed in the system. It was felt that a margin of 15 per cent above United

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States federal pay was a generous compensation, which fully took into account the expatriate nature of the staff. One representative, noting that some concern had been voiced over the majority recommendation which would link United Nations salaries too closely with those of the United States Civil Service, pointed out that this was the present practice, except that no restriction was now being placed on the size of the margin. The view was expressed that it was not necessary to reduce salaries, but merely to restrict the salary increases in the years to come until the desirable ratio was reached.

18. Several representatives stated that they had no wish to tie United Nations salaries to those of the United States Civil Service, but, for the reasons stated by the Special Committee, it had not been practical to attempt comparisons with the national civil services of the seven headquarters countries, whose compensation systems differed widely. The extended debates in the Fifth Committee in 1971 on the proposal to increase Professional salaries by 8 per cent had clearly demonstrated the need to find a more objective basis for dealing with the problem of what constituted an appropriate level of such salaries. Some representatives felt that it would be unfortunate to continue the uncertainty in this area.

19. On the post adjustment system, several representatives expressed the view that, although the system on the whole seemed to be justified, there were anomalies in its application. One representative felt that the statistical methods used led, in some cases, to the establishment of unjustifiably high levels of post adjustment; that the failure to use a direct method of comparison of the cost of living between two cities had also led to inaccurate results; and that the statistical services employed methods of collecting data on the cost of living which were not entirely acceptable. The post adjustment system deserved, in his view, greater criticism than did the principle for setting the salaries, and its drawbacks had consistently contributed to the anomalies in the salary system.

20. A number of representatives felt that the wide disparity in the views presented to the Fifth Committee on the question of salaries and the failure of the Special Committee to consult with the executive heads and the staff before arriving at its conclusions left no alternative but to defer action until the completion of

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a further study by a civil service commission. One representative stated that the report of the Special Committee could not be regarded as the expert review requested by the General Assembly. The amount of time and money spent on the report seemed to be out of proportion to the results achieved; it was more a reference document than a logical series of recommendations assured of broad support from all concerned and ready to be incorporated into a coherent body of legislation. The wide differences of opinion within the Special Committee itself and the general recognition that the report was incomplete made a further study essential. In the view of this representative, the level of remuneration of the staff was a major item, for the staff recruited by the Organization must be of the highest quality and must not be in any way dependent on their own countries for any benefits in cash or in kind.

21. Another representative felt that the analysis of the salary question made by the majority in the Special Committee was seriously deficient and had led the Committee to propound solutions which were either administratively unworkable or could not be put into effect without creating serious injustices and anomalies.

22. On the question of the establishment of a civil service commission, several representatives were in favour of an intergovernmental commission along the lines recommended by the majority of the Special Committee. Such a commission would be composed of experts appointed by Governments and, as such, would bring with it greater impartiality than one whose members were appointed by the Secretariat. One representative stressed that experts designated by their respective Governments would be no less independent of those Governments than United Nations officials recommended by their Governments. Governments would have every reason to propose experts of the highest qualification as candidates. It would not seem likely that candidates who would meet the requirements of independence of executive heads, staff associations and Governments could be found. Furthermore, it was doubtful that a technical commission could satisfactorily perform the work the General Assembly would entrust to it. Salary and personnel questions had important political aspects and could not be viewed as purely technical matters. One representative suggested that members of a civil service commission might be elected in the same manner as members of the Advisory Committee on Administrative and Budgetary Questions.

23. Many representatives favoured a civil service commission established along the lines proposed by the Advisory Committee in its report. It was essential that the character of the commission be such that it would command the confidence of all parties concerned: the Member States, the administrators and the staff. It should be truly independent, except in so far as it was appointed by, and answerable as a body to, the General Assembly. One delegation suggested that, in order to ensure the independence of the commissioners, their level of salaries or allowances should be such as to minimize their becoming susceptible to undue pressures. Several representatives expressed preference for a small compact commission purely as a matter of administrative practice. At the same time, they recognized the difficulties underlined by the Advisory Committee of reconciling a small body with the need for regional balance in the composition of the commission.

24. Many representatives emphasized that broad acceptance of the competence and impartiality of the commissioners by those who would be affected by them was essential to the functioning of the commission. One representative noted that Article 7 of the Charter of the United Nations established the Secretariat, no less than the General Assembly, as one of the principal organs of the United Nations, and Article 101, paragraph 1, gave an indication of how the relationship between the two organs should be envisioned when it provided that the staff should be appointed by the Secretary-General under regulations established by the General Assembly. Another representative stressed that, while the specialized agencies and IAEA had entered into relationship agreements with the United Nations which provided for maximum co-ordination in administrative policy as well as in their activities, they were autonomous entities. Therefore, any effective review of the salary system to be applied by all must involve full consultation with all members of the common system.

25. On the question of the compilation of a roster of candidates for appointment to the commission, a number of representatives favoured the procedures suggested by the Advisory Committee. This process of nomination should involve full consultations among the Member States, the executive heads and the staff. In addition, the Secretary-General, together with his colleagues in the Administrative Committee on Co-ordination, should be requested to draft a statute for the commission to be presented to the General Assembly at its twenty-eighth session. Some representatives felt that this task might better be entrusted to the Special Committee, whose mandate could be extended for another year. The Special Committee would be in a better position to make an objective study and, as it had already made

Good progress in the review of the new salary system, it should work out the technical aspects of applying a new system.

26. Several representatives were of the opinion that the report of the Special Committee should be placed on the agenda of the twenty-eighth session so that its substantive recommendations could be fully discussed. It was felt that such discussions would assist the commission in carrying forward the work of the Special Committee. Other representatives were of the opinion that it would not be useful at this stage to make such a recommendation.

27. Several representatives suggested that the commission should consist of 13 members rather than not more than 13 members. Some members agreed with the recommendation of the Special Committee that the membership of 13 may be composed of the five permanent members of the Security Council, two from Asia, two from Africa, two from Latin America, one from Western Europe and other countries, and one from Eastern Europe. The view was also expressed that, in the selection of commissioners, the principle of rotation should be scrupulously applied so that experts would come from as many countries as possible. One representative favoured a two-year tenure for commissioners. With regard to the chairman, he might be selected annually by the commission itself, subject to the condition that he would be eligible for additional terms.

28. Fuller details of the discussion can be found in the summary records of the meetings mentioned in paragraph 2.

III. PROPOSALS

29. At the 1550th meeting, on 13 December, the representative of Indonesia introduced a draft resolution (A/C.5/L.1099) sponsored by Australia, Belgium, Colombia, the Dominican Republic, Indonesia, Kenya, Malaysia, the Netherlands, Norway, the Philippines, Sri Lanka, Trinidad and Tobago, Tunisia and Uruguay (for the text of the draft resolution, see para. 40 below.)

30. At the same meeting, the representative of India suggested that the sponsors should include in the draft resolution, either in a preambular or operative paragraph, a statement confirming that the ruling principle in drawing up the statute for the commission must be that the commission be so constituted and appointed as to command the confidence of the Member States, of executive heads and of the staff, and to ensure its independence. He also suggested the following amendments:

(a) In paragraph 4, after the words "appropriate consultations", insert the words "Member States, the Advisory Committee on Administrative and Budgetary Questions, the specialized agencies and other concerned bodies of the United Nations";

(b) In operative paragraph 3, delete the words "through the Advisory Committee on Administrative and Budgetary Questions" and insert the words "together with the comments of the Advisory Committee on Administrative and Budgetary Questions".

31. The representative of Hungary suggested that there should be a preambular paragraph recalling that, in 1956, there had been a Salary Review Committee which had reported to the General Assembly (A/3209). This was desirable, in order to indicate that ICSAB had not been alone in dealing with salary matters before the establishment of the Special Committee. He also suggested that the operative part of the draft resolution should contain a provision that the report of the Special Committee should be discussed by the General Assembly at its twenty-eighth session before it was transmitted to the civil service commission.

32. At the same meeting, it was announced that Ghana and Ecuador had become sponsors of the draft resolution.

33. At the 1551st meeting, on 13 December, the representative of Pakistan proposed the following amendments to the draft resolution:

(a) In operative paragraph 3, after the words "deemed necessary", insert "including consultations with the representatives of the staff";

(b) In operative paragraph 4, after the words "appropriate consultations", insert the words "including consultations with the representatives of the staff".

34. At the same meeting, the representative of Indonesia stated that, after informal consultations, the representative of India had agreed to withdraw two of his suggested changes, and that the third, namely, the replacement in operative paragraph 3 of the words "through the Advisory Committee on Administrative and Budgetary Questions" by the words "together with the comments of the Advisory Committee on Administrative and Budgetary Questions", had been accepted by the sponsors of the draft resolution. In addition, the representative of Pakistan had agreed to withdraw his suggested changes. These agreements were based on the understanding that the words "appropriate consultation" in operative paragraph 4 of the draft resolution were understood to refer to the type of consultations referred to in paragraph 11 of the report of the Advisory Committee (A/8914). The

representative of Indonesia also announced that Pakistan had joined the list of draft sponsors of the resolution, and that the sponsors were unable to accept the changes proposed by the representative of Hungary.

35. The Chairman of the Advisory Committee pointed out that the amendment suggested by India and accepted by the sponsors would create constitutional problems in that the Advisory Committee reported directly to the General Assembly on questions referred to it and not through the Secretary-General. After informal discussions, the representative of Indonesia announced that the representative of India had agreed to withdraw his amendment.

36. At the 1553rd meeting, on 14 December, the draft resolution was adopted by 64 votes to none, with 11 abstentions (see para. 40 below).

37. In explanation of his vote, the representative of the Union of Soviet Socialist Republics stated that his delegation had abstained because it felt the mandate of the Special Committee should have been extended to do preparatory work for the future commission. Furthermore, his delegation supported an intergovernmental civil service commission.

38. The representatives of Denmark, Norway and Ireland indicated that, while they supported the draft resolution, they would hope that greater attention would be given to ways of involving the employees more directly in the determination of their conditions of service. While this might be covered in operative paragraph 3 of the draft resolution, they wished to record their views that all consultations must take into account the views of the staff.

39. The representative of Democratic Yemen stated that his delegation abstained because it was not familiar at this stage with the historical background of the United Nations salary system. It hoped to participate more fully in the debate at the next session.

IV. RECOMMENDATION OF THE FIFTH COMMITTEE

40. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

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United Nations salary system

The General Assembly,

Recalling its resolution 2743 (XXV) of 17 December 1970, by which it established the Special Committee for the Review of the United Nations Salary System,

Recalling further its resolution 13 (I) of 13 February 1946, on the basis of which an International Civil Service Advisory Board was established in 1948, and recalling that the terms of reference of the Board were subsequently extended by resolution 1981 (XVIII) of 17 December 1963,

Noting the report of the Special Committee for the Review of the United Nations Salary System 3/ the comments thereon by the International Civil Service Advisory Board, 4/ the Secretary-General 5/ and the Advisory Committee on Administrative and Budgetary Questions, 6/ and the statement of the Federation of International Civil Servants' Associations, 7/

Noting that the report of the Special Committee for the Review of the United Nations Salary System recommended the establishment of a new organ for the regulation and co-ordination of the conditions of service of the United Nations common system,

Noting that the International Civil Service Advisory Board and the Advisory Committee on Administrative and Budgetary Questions recommend the establishment of an international civil service commission, composed of experts who should be independent of executive heads, staff associations and Governments, but accountable as a body to the General Assembly,

Noting further that the executive heads of the specialized agencies, as well as representatives of the staff, believe that such a commission is necessary,

Decides:

1. To establish in principle, as of 1 January 1974, an International Civil Service Commission, consisting of not more than thirteen independent experts having the requisite qualifications and experience who would be appointed in their individual capacities by, and answerable as a body to, the General Assembly;

3/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 28 (A/8728 and Corr.1).

4/ Ibid., Supplement No. 28A (A/8728/Add.1).

5/ A/8839 and Add.1.

6/ A/8914.

7/ A/C.5/1466.

2. To invite the governing organs of the specialized agencies in the United Nations common system to offer such observations as they may have on the proposed International Civil Service Commission;

3. To request the Secretary-General, together with his colleagues in the Administrative Committee on Co-ordination and after such consultations as he or they may deem necessary, to submit, through the Advisory Committee on Administrative and Budgetary Questions, to the General Assembly at its twenty-eighth session detailed proposals for an International Civil Service Commission, together with a draft statute covering its terms of reference and procedures, including conditions and periods of service for the commissioners, methods of selection of the supporting staff of the Commission, methods of consultation with representatives of the administrations and staff, and other necessary administrative, budgetary and financial provisions;

4. To request the Secretary-General and his colleagues in the Administrative Committee on Co-ordination to initiate appropriate consultations with a view to the compilation of a roster of candidates for appointment to the International Civil Service Commission, selected on the basis of their personal qualifications and experience and of broad geographical representation, and to consult with the Advisory Committee on Administrative and Budgetary Questions in time for consideration and decision by the General Assembly at its twenty-eighth session;

5. To transmit to the International Civil Service Commission, after it has been constituted, the report of the Special Committee for the Review of the United Nations Salary System, the comments of the International Civil Service Advisory Board and other related documentation for consideration and to submit recommendations for action at the earliest possible date;

6. To continue to keep the International Civil Service Advisory Board in being until such time as the International Civil Service Commission is constituted and becomes operational.