



Twelfth session  
Agenda item 41

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1958

Schedule of post adjustments: Classification for the  
United Nations Office at Geneva

Report of the Fifth Committee

Rapporteur: Mr. Jaime de PINIES (Spain)

1. At its 624th and 625th meetings, the Fifth Committee considered reports of the Secretary-General (A/C.5/711) and of the Advisory Committee on Administrative and Budgetary Questions (A/3721) on the classification of Geneva in the schedule of post adjustments.
2. The General Assembly at its eleventh session (resolutions 1095 A (XI) and 1095 B (XI) decided, inter alia:
  - (a) to adopt a system of post adjustments recommended in 1956 by the Salary Review Committee to replace the previous system of differentials and cost-of-living allowances;
  - (b) to place New York in class 5 of that system;
  - (c) to recommend to the specialized agencies that with effect from 1 January 1957, Geneva be placed in class one of that system;
  - (d) to request the Secretary-General to apply, to members of the staff of the United Nations serving in the Headquarters area of a specialized agency which has adopted the post adjustment system, the class of post adjustment set by that agency for that area.
3. Under the post adjustment system, Geneva would be entitled to a class 2 post adjustment when its local cost-of-living averaged 105 over a period of nine months in relation to 100 at Geneva in January 1956. Although the Geneva index had not

reached 105, the World Health Assembly (in May 1957) and the Governing Body of the International Labour Organisation (in June 1957):

- (a) approved a class 2 post adjustment for Geneva effective 1 June 1957; and
- (b) indicated 1 January 1957 as the date from which future cost-of-living movements would be measured; that is to say, Geneva was assumed to have reached 105 as at 1 January 1957.

4. In his report, the Secretary-General set out the principal considerations that had been advanced in the World Health Assembly and the ILO Governing Body in favour of changing the Geneva classification; in brief these were:

- (a) the cost-of-living index in Geneva had risen during 1956 by 3.4 per cent;
- (b) in deciding in February 1957 to place New York in class 5 as from 1 January 1957, the General Assembly of the United Nations had taken account, among other factors, of a rise of about 3 per cent in the cost-of-living index in the New York area since 1 January 1956;
- (c) in moving forward to 1 January 1956 the base date of the salary scale there had been eliminated a credit of more than 2 per cent that had been accumulated toward the next cost-of-living adjustment at Geneva;
- (d) in placing New York in class 5, the General Assembly had exercised broad judgement since it recognized the limitations inherent in any cost-of-living statistics;
- (e) as a matter of equity, considerations which had been invoked, with the approval of the General Assembly, on behalf of the New York staff, should be applied at other duty stations; thus a proper balance would be restored in the application of the post adjustment system and the common system of salaries and allowances could be preserved.

5. The Secretary-General stated in his report that, in light of the decisions of the World Health Assembly and the ILO Governing Body, and having regard to the decision of the General Assembly set out in paragraph 2 (d) above, he felt obliged to recommend that, on the grounds of equity and in the interests of preserving the common system, the same salary and allowance arrangements which had been approved for WHO and ILO staff in Geneva should apply to the United Nations staff there. As regards the question of the date of application, the Secretary-General, while recognizing that arguments could be made both for and against applying the change to class 2 retroactively to 1 June 1957, stated that he believed that there was a

case for ensuring full equality of treatment to international officials of the United Nations and specialized agencies located in the same duty station.

6. The Advisory Committee stated that it has difficulty in accepting as valid the reasons advanced by the ILO and WHO for not following the post adjustment system proposed by the Salary Review Committee and approved by the General Assembly. Post adjustments were to be determined initially by comparing all cities with a standard - Geneva on 1 January 1956. This initial comparison involved broad judgement as well as statistics and could be made for any city in relation to Geneva but, obviously, should not be made for Geneva since that city was itself the yardstick for all measurements. Accordingly, in the view of the Advisory Committee, changes in the Geneva post adjustment should only be based on time-to-time changes in its local cost-of-living index in relation to the base date of January 1956. In view of this conclusion, the Advisory Committee could not concur in the recommendation of the Secretary-General; but rather believed that 1 January 1956 should remain the date from which cost-of-living changes in Geneva should be measured and that class 2 should be granted to the United Nations staff in Geneva when there was a change of 5 points averaged over a period of nine months.

7. However, the Advisory Committee noted that the cost-of-living index at Geneva had reached 105 in August and had remained above that level in September, and stated that the General Assembly might feel that the action taken by ILO and WHO created an exceptional situation justifying special treatment. If this should be the view of the General Assembly, the Advisory Committee would not oppose waiving the requirement of a nine-months average, thus placing the United Nations staff in Geneva in class 2 from 1 August 1957. The Advisory Committee further stated the hope that on further consideration the ILO and WHO would decide to maintain 1 January 1956 as the date from which cost-of-living changes for their staff members in Geneva should be measured.

8. In the discussion in the Fifth Committee, regret was expressed at the action which had been taken by the World Health Assembly and by the ILO Governing Body, which, in the opinion of a number of delegations, tended to disrupt the common system of salaries and allowances for the staff of the United Nations and the specialized agencies which had been so recently adopted after careful formulation

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by the Salary Review Committee and detailed examination by the Fifth Committee. A serious question of co-ordination was involved, equally at the national level between delegations to the United Nations and to the specialized agencies, and at the administrative level. It was accordingly urged that Government representatives participating in discussions on these questions at any agency within the family of United Nations Organizations should take a consistent view. A number of delegations expressed the view that, had the General Assembly at its eleventh session followed the recommendation of the Salary Review Committee and approved the post classification for New York at class 4 instead of class 5, the situation which was now before the General Assembly might not have arisen.

9. The validity of the reasons which had been brought forward in the World Health Assembly and the ILO Governing Body for their action was questioned, and agreement was expressed with the observations of the Advisory Committee in this regard. The question was raised whether, under these circumstances, the United Nations should concur for its part in departing from the conditions for changing post adjustments. However, both with a view to giving equitable treatment to the United Nations staff in Geneva and in the interests of maintaining the common system, it appeared unavoidable to do so. As regards the date at which class 2 should be made effective for the United Nations staff involved, a number of delegations stated that, as the cost-of-living index at Geneva had reached 105 in August 1957, they would be prepared to waive the requirement for a nine-months average and to support the view that class 2 be made effective on 1 August 1957. Other delegations believed, however, that, if the conditions for granting class 2 were being departed from to give equity to the United Nations staff, then that equity should be given fully, and that the effective date should be that which applied for the staff of ILO and WHO, 1 June 1957.

10. The further decision of the World Health Assembly and the ILO Governing Body that 1 January 1957 would be the date from which future cost-of-living movements at Geneva would be measured was also considered. There was general support for the recommendation of the Advisory Committee that the date of 1 January 1956 (at 100) should remain the date from which such measurements should be made. The hope was also expressed that, as suggested by the Advisory Committee, the agencies concerned would on further consideration decide to maintain that date, but certain delegations questioned the desirability of making a formal request to those agencies to that effect.

11. Voting on the various points involved, the Fifth Committee took the following decisions:

(a) Approved by 42 votes to 11, with 6 abstentions, a class 2 post adjustment to the United Nations staff at Geneva;

(b) Rejected by 29 votes to 7, with 27 abstentions, a proposal by the representative of Israel that class 2 should be applied as of 1 June 1957;

(c) Approved by 39 votes to 9, with 13 abstentions, 1 August 1957 as the date of application of the class 2 post adjustment to the United Nations staff at Geneva;

(d) Approved, by 62 votes to none, with 3 abstentions, the Advisory Committee's recommendation that 1 January 1956 should be maintained as the date from which future cost-of-living changes at Geneva should be measured.

12. At its 646th meeting, the Fifth Committee considered, in connexion with its draft report on this item, a draft resolution reflecting its decisions which had been formulated by the Rapporteur at the Committee's request. Certain amendments were made to the draft resolution, and, as amended, it was approved by 49 votes to 7, with 4 abstentions. Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the following resolution:

Schedule of Post Adjustments: Classification for the  
United Nations Office at Geneva

The General Assembly,

Recalling its resolution 1095 (XI) of 27 February 1957 relating to the United Nations salary, allowance and benefits system,

Having considered the reports of the Secretary-General<sup>1/</sup> and the Advisory Committee on Administrative and Budgetary Questions<sup>2/</sup> on the question of the classification of Geneva in the schedule of post adjustments established under that resolution,

Noting the action taken by the World Health Assembly and the Governing Body of the International Labour Organisation in approving class 2 in the schedule of post adjustments to be applied to the staff of those agencies serving at Geneva,

1. Decides to apply, as of 1 August 1957, class 2 in the schedule of post adjustments to United Nations staff members at Geneva;

1/ A/C.5/711.

2/ A/3721.

2. Decides to maintain 1 January 1956 as the date from which changes in the cost of living at Geneva should be measured in determining the post adjustment for United Nations staff members;

3. Expresses the hope that the appropriate legislative authorities of the International Labour Organisation and the World Health Organization will reconsider, in the light of paragraph 2 above, the date from which changes in the cost of living at Geneva should be measured in determining the post adjustment for the staff members of those agencies.

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