



Twentieth session
Agenda item 84 (b)

PERSONNEL QUESTIONS

Amendment of Staff Regulation 3.2: Education GrantTwelfth report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twentieth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/6037) proposing an amendment to Staff Regulation 3.2 on the payment of education grants.
2. Staff Regulation 3.2 provides for a grant to be made available to a staff member serving outside his recognized home country whose dependent child under the age of twenty-one is in full-time attendance at a school, university, or similar educational institution of a type which will, in the opinion of the Secretary-General, facilitate the child's reassimilation in the staff member's recognized home country.
3. The fundamental principle underlying this regulation is set forth in the statement of the 1949 Committee of Experts on Salary, Allowance and Leave Systems, in which that Committee said that the education grant represents partial compensation for the extra expenses incurred by expatriated staff members in the education of their children.^{1/} The organization has no obligation, under this principle, to relieve the staff member of the normal financial burden of providing instruction and training for his child. It recognizes, however, that a staff member serving away from his country becomes subject to additional costs of education over and above the expenses which would have been incurred had he

^{1/} Official Records of the General Assembly, Fourth Session, Fifth Committee, Annex, Vol. II, document A/C.5/331 and Corr.1, para. 97.

remained in his home country. It is thus reasonable for the Organization to assist such a staff member in meeting the extra costs of schooling for the purpose of facilitating the eventual reassimilation of his children in the home country. The education grant forms part of the Common System of Salaries and Allowances of the United Nations and the specialized agencies.

4. From 1 January 1956 to 1 January 1962 the amount of the grant was, in respect of attendance at a school in the home country, determined at \$400 per child for a scholastic year; in the case of education outside the home country, the grant was equal to the actual cost of attendance up to \$200, and where the cost was more than \$200, to either \$200 or one half the cost, whichever was greater, up to the established maximum of \$400.

5. In 1961 the Administrative Committee on Co-ordination (ACC) agreed upon a modified procedure governing the amounts of the education grant, which would have resulted in the following provisions:

(a) where the educational institution provided both board and tuition, 75 per cent of the cost up to a maximum of \$800 a year;

(b) where the school did not provide board, \$400 plus 75 per cent of the cost of attendance up to a maximum of \$800 a year.

The Secretary-General had reached the conclusion that the procedure recommended by ACC abolished certain inequities resulting from the old procedure and adequately implemented the principle of partial compensation. He, therefore, proposed to the General Assembly at its sixteenth session^{2/} the adoption of the recommendation of ACC.

6. The Advisory Committee, reviewing the proposal of the Secretary-General,^{3/} welcomed the new procedure in principle, but was not persuaded that there was justification for doubling the maximum amount of the grant under the 1961 prevailing circumstances. Accordingly, the Committee recommended that the maximum amount should be \$600 rather than \$800.

7. In his report to the General Assembly at its twentieth session (A/6037), the Secretary-General states that, in view of the continuing rise in costs of

^{2/} Ibid., Sixteenth Session, Annexes, agenda item 64 (c), document A/C.5/883.

^{3/} Ibid., document A/4955.

education and the importance of the problem of children's education as a factor in recruitment of staff and experts for expatriate service, ACC has made a new study of the costs of schools and the practices of certain national Governments in regard to the payment of an education grant. The conclusion drawn by ACC from that study was that the present maximum is inadequate. The Secretary-General, therefore, proposes an increase of the maximum grant from \$600 to \$1,000 in respect of any scholastic year ending after 1 January 1966. Where the school does not provide board it is proposed that the lump sum payable should be increased from \$400 to \$500. The actual grant payable would, however, not exceed 75 per cent of the cost incurred by the staff member, nor would there be any change in the definition of the cost to be reimbursed.

8. The proposal of the Secretary-General would represent an increase in the budget of the United Nations for 1966 of approximately \$120,000. The additional costs, resulting from the adoption of the recommendation of ACC by the governing bodies of the specialized agencies, would be approximately \$225,000.

9. The Advisory Committee was informed that, in 1964, education grants in respect of 1,004 children were paid to 552 staff members of the United Nations. The total expenditure in that year for grants and related travel amounted to \$497,304. Of the 1,004 grants, 447 were in respect of children of staff members serving at Headquarters. Of these 447 children, 173 attended the United Nations International School, 117 attended other local schools, while 157 attended school in the home country or elsewhere outside the duty station.

Observations and recommendations of the Advisory Committee

10. The evidence submitted by the Secretary-General in justification of the proposal mainly relates to the fees paid in schools attended by children of international civil servants in a number of countries, and to the regulations governing the provision of education grants to staffs of four countries serving overseas. On this basis the Secretary-General indicates that, in his view, the inadequate level of the education grant affects the possibilities of recruitment of staff and experts for expatriate service.

11. The Committee notes that the Secretary-General was not able to obtain information from more Governments of Member States on the reimbursement on

account of the costs of education of children of their expatriate public servants, and on national practices and procedures in regard to education grants. It feels that the information in the report - limited as it was to a statement of government practices in four countries - is not sufficiently comprehensive. Further, it considers that no adequate evidence was presented to support the claim that recruitment possibilities were adversely affected by the present level of the education grant.

12. The Committee expresses the hope, therefore, that the Secretary-General will endeavour to elicit the desired information on a much broader and more representative basis, primarily through a systematic inquiry with permanent missions, and that Governments will find it possible to co-operate with the Secretary-General in this inquiry. Such information should also be more detailed. For example, the figures given in paragraph 7 of the Secretary-General's report (A/6037) could well be expanded.

13. The Secretary-General has not referred to the administrative difficulties and inequities which occurred in determining entitlement to the education grant prior to modification of that procedure, effective 1 January 1962. The Advisory Committee understands that the Secretary-General is in general satisfied with the manner in which the present procedure operates. The Committee, however, is of the view that certain difficulties still exist in determining entitlement to the education grant. Moreover, on the basis of the information presented, it is not completely satisfied with the manner in which the policy is being implemented. It appears probable that the formula at present being applied is not sufficiently clear to assure proper entitlement in all cases.

14. These difficulties could possibly be solved by a renewed examination of the procedure of the education grant by experts in the field of salaries and allowances. Not for this reason alone, but also with a view to re-evaluating the relative place of the education grant in the over-all system of salaries and allowances of the United Nations and the specialized agencies, the Advisory Committee suggests that the International Civil Service Advisory Board (ICSAB), in its 1966 review of the principles of the common system of remuneration of the international civil service, be asked to make a special study of all aspects of the education grant.

15. The Advisory Committee entertains serious doubts regarding the Secretary-General's proposal for a considerable increase of the education grant at this juncture, for the following reasons:

(a) The General Assembly, in its Fifth Committee, has adopted a proposal of the Secretary-General on the recommendation of ICSAB for an increase in the salary scales of the professional and higher categories of the United Nations staff, effective 1 January 1966; this increase could, to some extent, serve to offset the increased costs of education;

(b) No important change should be made in the procedure of the education grant, nor in its amount, before ICSAB has had an opportunity to review and report on the relative place of the education grant in the over-all system of salaries and allowances;

(c) Apart from the need to refer this matter to ICSAB, no substantial increase in the maximum grant in respect of the cost of education of children of expatriate members of the staff of the United Nations should be effected until the additional information referred to in paragraph 12 above is available.

16. At the same time the Committee is aware of certain factors which could justify a limited increase of the education grant, even before the observations set out under (b) and (c) of the preceding paragraph have satisfactorily been answered. On previous occasions the Advisory Committee has recommended, and the General Assembly has endorsed, the principle of partial compensation for education costs of expatriate staff. The proportion of partial compensation determined at 75 per cent, subject to a maximum, was established as of 1 January 1962, and no modification of this proportion is advocated under the present proposals. It has also to be recognized that at the sixteenth session of the General Assembly the Secretary-General proposed an increase in the maximum of the education grant up to \$800, whereas the Assembly, on the recommendation of the Advisory Committee, approved an increase up to \$600. Furthermore, the cost of education in private institutions in most countries, where the children of expatriate staff members receive their education, has increased during the last four years. In the report of the Board of Trustees of the International School in New York,^{4/} it was

^{4/} A/6079, annex, para. 18.

stated that the average tuition fee per child was \$1,030 for the scholastic year 1965-1966, as compared with \$900 for the year 1964-1965. The Committee understands that the \$900 average has been in effect since the scholastic year 1960-1961.

17. While maintaining its objections to a substantial increase in the education grant, as set out in paragraph 15 above, the Advisory Committee nevertheless reached the conclusion that, for the reasons enumerated in paragraph 16 above, some increase in the education grant would be justified. The Committee therefore proposes an increase in the maximum education grant from \$600 to \$700. In recommending this limited increase, the Committee is conscious that the amount is considerably less than the increase requested by the Secretary-General. The Committee, however, is of the view that any further increase would be premature until ICSAB has submitted its study. It suggests that any study undertaken by ICSAB should include a systematic inquiry into the costs of education in a representative number of countries and into the practices of such countries with respect to education grants for the children of expatriate public servants.

18. On the basis of the Committee's recommendation for an increase in the maximum level of the education grant from \$600 to \$700, the increased costs under the 1966 regular budget of the United Nations would amount to approximately \$67,000 instead of \$120,000 as proposed by the Secretary-General. Should the General Assembly approve the increase recommended by the Advisory Committee, distribution of this additional cost over the relevant budget sections would be as follows:

<u>Section</u>	<u>\$</u>
4. Common staff costs	59,000
17. United Nations Field Service . . .	5,000
18. Office of the United Nations High Commissioner for Refugees	1,200
19. International Court of Justice . .	300
20. United Nations Conference on Trade and Development	1,500
	<u>67,000</u>

19. In conclusion, the Advisory Committee recommends that:

(a) The second sentence of Staff Regulation 3.2 should be amended to read as follows:

"The maximum amount of the grant shall be \$700 per scholastic year for each child."

(b) The Secretary-General should be requested to ask ICSAB, through ACC, to include in its 1966 review of the principles of the Common System of Salaries and Allowances, a study of the education grant and to report on this specific subject at the earliest opportunity.
