



Ninth session
Agenda item 53

ORGANIZATION OF THE SECRETARIAT

Salaries and allowances of Under-Secretaries
or officials of an equivalent rank

Ninth report of the Advisory Committee on Administrative
and Budgetary Questions to the ninth session of the
General Assembly

1. The Secretary-General has submitted for the consideration of the General Assembly a proposal (A/C.5/583, paragraph 8) that paragraphs 1 and 2 of annex I to the Staff Regulations of the United Nations^{1/} should be deleted and replaced by the following text:

Annex I

"Salary scales and related provisions

"1. An Under-Secretary or an official of equivalent rank shall receive as basic remuneration a salary of \$ US 18,000 (subject to the staff assessment plan at the rates laid down in General Assembly resolution 239 (III) of 18 November 1948 and to such changes as may be directed from time to time by the General Assembly, and to salary differentials wherever applied), together with an allowance of \$ US 3,500. The Secretary-General may grant, in special cases and on an annual basis, an additional allowance up to an amount of \$ US 6,000. The allowances for Under-Secretaries or for officials of equivalent rank shall be deemed to include all representation (including hospitality) as well as education and children's allowances. If otherwise eligible, such officials shall receive the other allowances and benefits which are available to staff members generally."

^{1/} See resolution 590 (VI) adopted on 2 February 1952 by the General Assembly.

2. In considering the Secretary-General's present proposals it is perhaps relevant to recall the statement made last year in a report^{2/} outlining his plan of organization of the Secretariat. This statement may be summarized as follows:

It had originally been intended to create in the Assistant Secretaries-General a group of representative officials charged with a dual responsibility: (a) to serve the Secretary-General in a representative capacity with individual Member countries; and (b) to direct the various departments with the assistance of Principal Directors as administrative officials responsible for the actual conduct of operations. In view, however, of the establishment at Headquarters of permanent national missions, the work of the Assistant Secretaries-General had consisted largely of departmental duties rather than the wider diplomatic function originally contemplated. In these circumstances the Secretary-General had reached the conclusion that the reconstituted departments should be headed by only one echelon of officials, who might be described as Under-Secretaries and whose responsibility would be essentially administrative. Such political responsibilities as they might be required to exercise in particular areas or on particular issues would be theirs by delegation from the Secretary-General.

The base salary of the Under-Secretaries would be that at present received by the Principal Directors, although it might prove necessary to make an adjustment by means of special allowances. Any such allowances would take account of the status of the Under-Secretaries in relation to the executive heads and senior officers of specialized agencies. Furthermore, account might also have to be taken of the special responsibilities to be assumed by the heads of certain departments of the Secretariat and, finally, the Secretary-General should be empowered to have regard to the special qualifications of candidates.

Experience might point to the necessity in exceptional cases of affording Under-Secretaries the assistance of Deputies. It might, in addition, be necessary to appoint one or two Under-Secretaries without portfolio, to serve as advisers to the Secretary-General on special questions.

^{2/} See Official Records of the General Assembly, Eighth Session, Annexes agenda item 48, document A/2554, paragraphs 21 to 24.

3. The emoluments proposed by the Secretary-General for officials at the top supervisory level at Headquarters (Under-Secretaries, Heads of Offices, and Deputy Under-Secretaries) would consist of a salary and an allowance and, in special cases, an additional allowance. Both these allowances would be free of assessment under the Staff Assessment Plan. For the purpose of comparison, the existing remuneration of Assistant Secretaries-General and Principal Directors is shown in the following table, together with the salaries and allowances proposed for the new top echelon.

EXISTING SCALE*

Assistant Secretaries-General

	<u>Gross</u> \$	<u>Net</u> \$
Salary	23,000	15,000
Allowance		<u>7,000 to 10,000^{a/}</u>
<u>Total net</u>		<u>22,000 to 25,000</u>

Principal Directors

	<u>Gross</u> \$	<u>Net</u> \$
Salary	17,000 to 18,000	12,000 to 12,500
Representation allowance		<u>1,000 to 3,500^{a/}</u>
<u>Total net</u>		<u>13,000 to 16,000</u>

PROPOSED SCALE*

Under-Secretaries
and officials of equivalent rank

	<u>Gross</u> \$	<u>Net</u> \$
Salary	18,000	12,500
Allowance		
(i) Basic ^{b/}		3,500
(ii) Additional (up to)		<u>6,000</u>
<u>Total net</u>		<u>16,000 to 22,000</u>

* A cost-of-living adjustment of 7-1/2 per cent of gross base salary, subject to a maximum of \$750 (gross) is payable at Headquarters at all post levels including Assistant Secretaries-General and Principal Directors.

a/ One Assistant Secretary-General receives an allowance of \$10,000, bringing his total remuneration to \$25,000 (net). The remainder receive \$7,000 for a total of \$22,000 (net).

b/ As stated in the text of the proposed amendment, this allowance, unlike the existing representation allowance of a Principal Director, is deemed to include education and children's allowances, the monetary value of which can be determined only on an individual basis, being dependent on a number of variable factors, such as the number and ages of children, and whether the children attend schools in the home country or special national schools in the area of the duty station. Details concerning the education and children's allowances may be found in annex IV to the Staff Regulations (General Assembly resolution 590 (VI))

c/ Exceptionally, the General Assembly has authorized the payment of a representation allowance of \$5,500 to one Principal Director, bringing his total remuneration to \$18,000 (net).

4. Attention is drawn, in respect of the above comparative table, to the fact that, although the existing regulation provides that Principal Directors shall receive a representation allowance varying from \$1,000 to \$3,500, the average of such allowances actually in payment at Headquarters during the first half of 1954 exceeded \$3,000^{3/}, and that in no case did the allowance fall below \$2,000. During the same period, nine of the eleven holders of Headquarters posts at that level were at step II in the salary scale, and therefore in receipt of a salary of \$18,000 (gross).

5. It will also be seen from the table that the level of emoluments proposed for the new category of Under-Secretary would range from the level of the existing maximum emoluments of a Principal Director to an amount equal to the remuneration of the majority of existing Assistant Secretaries-General. Although it is stated that the proposed maximum additional allowance of \$6,000 per annum would be paid in special cases only, the Advisory Committee is informed that the total provision in respect of such additional allowances is tentatively estimated by the Secretary-General in the region of \$60,000 per annum.

6. Salary rate. In a report submitted during December 1953^{4/} the Advisory Committee suggested that necessary variations in the remuneration of the supervisory officials might best be achieved by means of salary rates graduated according to the responsibilities of the individual posts. In view, however, of the relatively small difference between the Committee's earlier suggestion and the Secretary-General's present proposal, the Committee does not wish to adhere to its previous position on this matter. It concurs also in the proposed uniform salary rate for the top supervisory level of \$18,000 (gross) as distinct from the existing salary scale for Principal Directors which provides for a salary rising from \$17,000 (gross) to \$18,000 (gross) after two years of satisfactory service. The Committee likewise agrees, though with some hesitation, that posts at the top supervisory level should all carry

^{3/} Under the Staff Regulations, a representation allowance in excess of \$3,500 is authorized, as an exceptional payment, in one particular case. This amount has been omitted in the calculation of the above average figure.

^{4/} See Official Records of the General Assembly, Eighth Session, Annexes, agenda item 48, document A/2606, paragraph 8.

as a minimum a representation allowance of \$3,500. In so doing, it has regard to the provision in the proposed draft regulation that the allowance shall be deemed to include all representation (including hospitality) as well as education and children's allowances.

7. Additional allowance. So far as the additional allowance is concerned, the Advisory Committee notes with satisfaction the terms in which the proposed regulation^{5/} has been drafted. No general entitlement to the whole or any part of this additional allowance is established thereunder. It is a purely discretionary provision to be applied by the Secretary-General only "in special cases", and the Committee has been assured that the annual review, which is expressly provided for, will involve the closest scrutiny of all relevant factors; that the amount (if any) of the additional allowance is to be based in each individual case both on actual experience during a current year and on anticipated requirements; and that, accordingly, the allowance will be increased or decreased, as a matter of ordinary administrative procedure, as and when the Secretary-General considers this necessary and appropriate.

8. It is evident that the appropriate rate of the additional allowance should be determined with reference to the aggregate of the two allowances, basic and additional. Under the Secretary-General's proposal, this aggregate would vary from a minimum of \$3,500 to a maximum to \$9,500, reflecting the wide difference in the nature and extent of the representational duties which the holders of the posts may normally have to perform. In the main, therefore, the level of emoluments now proposed for officials in the top echelon will be appreciably higher than those of the existing Principal Director level.

9. It is, of course, true that under the reorganization proposals the Under-Secretaries will report directly to the Secretary-General, whereas the formal position of the existing Principal Directors is that they report to an Assistant Secretary-General. In the opinion, however, of the Advisory Committee the amount of the allowances should be specifically related to the importance of the tasks to be performed rather than to the relationship to the Secretary-General. The Committee considers that it would sufficiently meet the case if the additional allowance payable to these officials, over and above the minimum basic allowance of \$3,500 were subject to a maximum of \$4,000. The total

^{5/} "The Secretary-General may grant, in special cases, and on an annual basis, an additional allowance...".

emoluments of these officials would thus range from \$16,000 (net) as a minimum to a maximum of \$20,000 (net) per annum. Further, the Committee considers that, on the basis of fifteen posts, the total expenditure in respect of these additional allowances should be subject to an over-all limit of \$35,000.

10. The Advisory Committee has been informed of the Secretary-General's intention to provide for a difference in emoluments between Under-Secretary and Deputy in order to mark the fact that final responsibility will rest with the former official. If posts of Deputy Under-Secretaries are to be authorized, this difference could, in the Committee's opinion, best be achieved through a lower salary level for the Deputies; the Committee does not, however, insist on this point. But inasmuch as a single rate of salary and a uniform allowance are proposed, a differing degree of responsibility can be reflected only in the additional allowance. The limit of \$35,000 in the total expenditure on such allowances is recommended on that assumption. The Advisory Committee further suggests that the Secretary-General might find it administratively desirable to authorize the additional allowance on a voucher basis. In addition, while endorsing the proposal that the payment of the latter allowance should be fixed and reviewed annually by the Secretary-General, the Committee considers it reasonable that, in any special case where an addition to the basic allowance is approved, the two items should be consolidated in the form of a single administrative payment.

11. Transitional measures. The Secretary-General refers in paragraphs 5 and 6 of his memorandum (A/C.5/583) to a problem arising out of the fact that certain officials at present receive, in accordance with existing regulations, total emoluments which would differ from those now proposed. The Secretary-General considers that, as a transitional measure, the status quo of any such officials who continue in the service of the United Nations should be maintained in all respects, and specifically he proposes that "any appointment already made on the basis of existing regulations should for its duration imply the carrying forward in total of existing obligations".

12. The Advisory Committee understands this proposal as signifying that an official of the category under reference who holds an appointment for a term expiring on 31 December 1954 shall continue, in the event of his being granted

an extension of appointment or a new appointment at the top supervisory level, to receive the emoluments of his present appointment, notwithstanding that these may be in excess of the emoluments which under the revised conditions attach to the appointment he will fill. As the Committee interprets the proposal, the transitional measure would apply (with the one exception considered below) exclusively to an official already serving at the level of Assistant Secretary-General whose present term of appointment expires at the end of the year 1954 and who receives as from 1 January 1955 an extension of appointment or a new appointment at the top supervisory level. The measure would apply in particular to (a) the amount of base salary; (b) the amount of pensionable remuneration; and (c) the rate of allowance, each of which would be maintained, without change or impairment, at the respective figure entered in the existing letter of appointment, namely, \$15,000 (net) as regards item (a), \$15,000 as regards item (b), and \$7,000 in respect of item (c).

13. It is, however, the view of the Advisory Committee that, upon expiry of the present term of appointment and in the event of the grant of an extension of appointment or of a new appointment conditions of service based on the revised regulations should apply in all respects, the net base salary and the pensionable remuneration being reduced in consequence from \$15,000 (present salary and pensionable remuneration of an Assistant Secretary-General) to \$12,500 (the corresponding amount applicable to an Under Secretary or official of equivalent rank). Accordingly, the Committee is not prepared to concur in the proposed transitional measure.

14. The exception referred to in paragraph 12 above, which concerns an official at present serving at the level of Principal Director, was discussed in the third report of the Advisory Committee to the ninth session (A/2724, paragraphs 4 to 7). The Committee expressed the opinion that the amount of the pensionable remuneration of staff members should be determined solely by reference to the actual salary received, and that the acceptance as pensionable remuneration of an assumed or notional figure exceeding the actual net base salary could not be regarded as consistent with the principle of equality of treatment among staff members. In its report to the General Assembly on the financial report and accounts of the United Nations (A/2751, paragraph 5) the Fifth Committee concurred in the observations of the Advisory Committee on this subject.

15. Title of "Under-Secretary". As regards the title of "Under-Secretary", as contained in the text of the proposed draft regulation (A/C.5/583, paragraph 8) this has already been the subject of discussion in the Fifth Committee and, while the Advisory Committee does not find the proposed title entirely appropriate, it believes that the matter most suitably be left to the decision of the Secretary-General.

16. Emoluments at the Director level. The Advisory Committee concurs in the views expressed by the Secretary-General in paragraph 7 of his memorandum concerning the emoluments of officers at the Director (D-2) level, to the effect that no change should be made at this stage either in the existing salary range (\$15,000 to \$17,000) or in the provision in the Staff Regulations empowering the Secretary-General, in special cases, to grant Directors a representation allowance of up to \$1,500. The Committee understands that the continued payment of this allowance would be subject to an annual review similar to that proposed for the allowances of Under-Secretaries and officials of equivalent rank.

17. The foregoing observations are related to, and based upon, the situation at Headquarters alone, in regard to departments and other organizational units which have already been the subject of review by the Secretary-General. Consequently, they cannot be construed as applying or necessarily applying to any of the United Nations offices away from Headquarters which are to be reviewed in the course of 1955.

18. Text of amendment to Staff Regulations. The Advisory Committee recommends for adoption the following amending the Staff Regulations of the United Nations:

Amendment recommended by the
Advisory Committee on Administrative and Budgetary Questions

Annex I to the Staff Regulations

To substitute for paragraphs 1 and 2 the following single paragraph:

"

Annex I

"Salary scales and related provisions

"1. An Under-Secretary or an official of equivalent rank shall receive as basic remuneration a salary of \$US 18,000 (subject to the staff assessment plan at the rates laid down in General Assembly resolution 239 (III) of 18 November 1948 and to such changes as may be directed from time to time by the General Assembly, and to salary differentials wherever applied), together with an allowance of \$US 3,200. In special cases the Secretary-General may grant, on an annual basis, an additional allowance up to an amount of \$US 4,000. The allowances for Under-Secretaries or for officials of equivalent rank shall be deemed to include all representation (including hospitality) as well as education and children's allowances. If otherwise eligible, such officials shall receive the other allowances and benefits which are available to staff members generally."

[Paragraphs 3 to 9 to be re-numbered accordingly.]
