



Fifth session

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1951

SALARY, ALLOWANCE AND LEAVE SYSTEMS OF THE UNITED NATIONS

Report of the Secretary-General

1. The General Assembly, at its third session in 1948, agreed with a proposal of the Fifth Committee that a comprehensive review of the salaries and allowances of the United Nations should be undertaken by the Secretary-General. On 31 October 1949, at its fourth session, the Secretary-General transmitted to the General Assembly, for its information, the report of a Committee of Experts on salary, allowance and leave systems (A/C.5/331) which he had appointed to assist in this review, in accordance with the terms of the Fifth Committee's recommendation. On 15 November, 1949, the Secretary-General submitted to the General Assembly a report (A/C.5/331/Add.1) expressing his views on the proposals made to him by the Committee of Experts, including those on which he was empowered to act within his authority as chief administrative officer of the Organization. At the same time, he also presented, for the consideration of the Fifth Committee, draft resolutions covering those recommendations which required specific action by the General Assembly itself for their implementation.
2. Before the General Assembly took such action, it was decided that the reports of the Secretary-General and of the Committee of Experts should be referred to the Advisory Committee on Administrative and Budgetary Questions, with the request that the Advisory Committee should submit to the fifth session of the Assembly its conclusions and recommendations regarding the questions raised in those reports, including texts of draft resolutions and amendments to the Staff Regulations. In the report of the Fifth Committee on the 1950 budget of the United Nations (A/1532), the view was also reaffirmed that, although action on

the report on salary, allowance and leave systems had been postponed until its next regular session, the Secretary-General should continue, under the authority vested in him by the Charter, to effect those improvements in the United Nations system of personnel administration which were consistent with the Staff Regulations and within the limits of existing budgetary appropriations.

3. Pursuant to the above decisions, the Secretary-General has modified certain administrative policies and procedures for the purpose of giving effect to those recommendations of the Committee of Experts which fall within his present authority and on which the Advisory Committee has commented favourably. Such modifications have related specifically to:

(a) Simplification of the system of installation allowances and grants;

(b) Abolition of the additional 10 days leave previously provided for under home leave rules;

(c) Reduction of the ceiling for accumulated annual leave from 100 to 60 days;

(d) Modification of provisions regarding standards of travel and per diem rates for travel on official business (other than home leave) to provide for equality of treatment for all staff members grades 14 through 19;

(e) Granting of the children's allowance to women staff members on the same basis as to men;

(f) Implementation, on a provisional basis, of the Committee of Experts' proposals relating to social security.

4. Action on the remaining and more important features of the proposals submitted to the Secretary-General by the Committee of Experts has, of necessity, been deferred pending certain decisions which the General Assembly itself must take in the light of the recommendations and observations presented to it both by the Secretary-General and by the Advisory Committee. The views of the Advisory Committee are set forth in its first report of 1950 (A/1313).* The Secretary-General has examined this report carefully and, in the light thereof, has reviewed his earlier recommendations made at the fourth session of the General Assembly. A comparative summary of these views is presented in annex A to the present document.

* See Official Records of the fifth session of the General Assembly, Supplement No. 7 a.

5. The Secretary-General has also discussed these matters again with administrative representatives of the specialized agencies, and a most encouraging degree of agreement has been achieved which as set forth in the report of the Consultative Committee on Administrative Questions, attached as annex B to the present document. Time has not permitted consideration of this report by the Administrative Committee on Co-ordination, and the members of ACC have accordingly agreed that the report should be submitted direct to the General Assembly.

6. In the following paragraphs the Secretary-General seeks to set out, for the consideration of the General Assembly, the six major points of substance and of principle on which he requests its decision in order to give effect to the proposals of the Committee of Experts, the acceptance of which, he is firmly convinced, would achieve significant administrative advantages and, in particular would provide a sound basis for:

- (a) The development of an international career service of the highest calibre;
- (b) Greater flexibility in the assignment of staff across unit, departmental and agency lines;
- (c) Marked simplification in staff administration; and
- (d) Substantial financial economy.

The Secretary-General earnestly requests the General Assembly to give him clear guidance on these six major points, believing that its decision on these matters will make it practicable for him to work out appropriate solutions for the less significant problems at the administrative level. It is only in this way, as the report appearing as annex B makes very evident, that a desirable degree of uniformity between the United Nations and the specialized agencies can in fact be achieved and, further, that the degree of flexibility essential in matters of staff administration can be retained. The Secretary-General's views on the points of detail treated by the Committee of Experts and the Advisory Committee are, nevertheless, presented in annex A for the information of the General Assembly.

7. The first major point relates to the organization and classification of the staff. The Advisory Committee has expressed general agreement with the scheme proposed by the Committee of Experts (its sole significant reservation being to indicate a preference for an additional level in the category of substantive /or professional

or professional posts), and accordingly, with even greater confidence than in 1949, the Secretary-General recommends that the General Assembly sanction his implementation of the classification proposals by approving Regulation 2.1 of the proposed permanent Staff Regulations which he is submitting for the consideration of the Assembly in document A/1360, which reads as follows:

"Appropriate provision shall be made by the Secretary-General for the classification of posts and staff according to the nature of the duties and responsibilities required".

The Advisory Committee's preference for an additional level in the professional category was considered in the recent discussion with representatives of the specialized agencies. There appears to be general agreement among the larger agencies on the desirability of an additional level in the salary ranges from \$3,600 to \$11,000 (professional officers). In the interests of a common classification and salary structure for the major part of the international civil service, therefore, the Secretary-General would be willing to accept this proposal for five rather than four levels in the professional service. Details will have to be worked out at an administrative level with the specialized agencies when the wish of the General Assembly in this respect is known.

8. The second point relates to the salary level for internationally recruited staff, the range of which has hitherto been limited by the decision, dating from 1946 (resolution 13 (I), section VI, paragraphs 15 and 16) to fix the salaries of top-ranking directors at \$11,000 net and of Assistant Secretaries-General at \$13,500. The Advisory Committee, while making no recommendation on the salaries for Assistant Secretaries-General, has proposed salaries for top-ranking directors which not only represent a reduction from the figures proposed by the Committee of Experts, but in addition would reduce the emoluments now being received by these officers. The Advisory Committee also recommends a reduction in the figures proposed for directors. These recommendations are as follows (salary rates are shown on a net basis):

<u>Proposals of the Committee of Experts</u>	<u>Proposals of the Advisory Committee</u>
Principal directors - Salary \$15,000, plus ordinary allowances, plus reimbursement of actual hospitality expenses up to \$1,500.	Salary \$12,000 - \$12,500, plus ordinary allowances, plus representation allowance to a maximum of \$3,000 "for exceptional cases".
Directors - \$12,500 - \$14,000.	\$11,000 - \$12,200.

/The Secretary-General

The Secretary-General cannot concur with the recommendation to reduce the salaries and relative status of this small but extremely important group of his most senior staff. When, in 1946, the General Assembly established the compensation for top-ranking directors at \$11,000, with a representation allowance of between \$3,000 and \$6,000 at the discretion of the Secretary-General, the total emoluments of such staff ranged, therefore, from \$14,000 to \$17,000. Since that time, the cost of living, which is still going up, has risen more than 26 per cent. The responsibilities of the corps of top-ranking directors have constantly increased. The burden of work that they carry, their daily contacts with delegations and outside organizations have grown from year to year, and there has inevitably been a corresponding increase in both their official and personal obligations. The Secretary-General is convinced that it is contrary both to experience and to reason to suppose that it would be possible to recruit and retain staff of the high calibre necessary at this level unless the emoluments offered are adequate; this was also the opinion of the Committee of Experts. He is equally concerned by the fact that the proposal of the Advisory Committee would adversely affect that second group of directors who have hitherto been on a salary basis of \$10,000 to \$11,000, plus a \$2,500 allowance. It would be against all the contention of the Committee of Experts if a group of such senior staff were to be financially penalized.

It should also be noted that the placing of a ceiling of \$12,500 on the classified service will mean that, in time, a large part of the Organization's highest staff, including principal officers, directors and principal directors, will be crowded into an exceedingly narrow range between \$12,000 and \$12,500. The "bunching together" of salaries at the upper limits was one of the problems to which the Committee of Experts called particular attention in its report.

The Secretary-General is aware of the considerations which moved the Advisory Committee, and he is prepared to agree that the levels of compensation established by the General Assembly in 1946 should not be increased. On the other hand, he sees no justification for a decrease. The minimum standard would be to leave undisturbed the levels of Assistant Secretaries-General and principal directors, as they were established in 1946, with some adjustments as between salaries and allowances in order to preserve proper intervals between the grades.

The Secretary-General therefore recommends the following scale of net salaries and allowances:

/Assistant

Assistant Secretaries-General

Salary \$16,000, together with an allowance varying from \$4,500 to \$9,000, at the Secretary-General's discretion.

Principal directors

Salary \$13,000 to \$13,500, together with an allowance varying from \$1,000 to \$3,500, at the Secretary-General's discretion.

Directors

Salary \$12,500 to \$13,500, with entitlement to regular allowances of other staff members (such as rental, education and children's allowances).

A minor point in connexion with salaries for international staff, on which a separate paper will be presented to the General Assembly, is the recommendation of the Advisory Committee in their report on the budget estimate for 1951 (A/1312)* that a minus 5 per cent differential should be established for staff serving in Geneva, a proposal with which the Secretary-General cannot agree.

9. At the other end of the scale is the question of the salaries of staff recruited locally for the lower grades. Here, the Secretary-General proposes that the General Assembly should confirm the general principles recommended by the Committee of Experts and agreed by both the Advisory Committee and the Secretary-General. This could be accomplished by the General Assembly's approving proposed permanent Staff Regulation 3.2, (A/1360) which reads as follows:

"The salaries of other staff members shall be determined by the Secretary-General at levels below that adopted for the post of principal director; salaries and wages for stenographic, clerical and manual work, and for work of a comparable nature, shall be fixed in accordance with best prevailing conditions of employment in the locality of the United Nations office concerned".

10. The third point is the question of arrangements to govern the transition from the old to the new salary scheme. This involves consideration of:

- (a) The extent to which the salary ceilings of the grades in which staff members are currently serving are to be retained;
- (b) The date on which the present staff would be moved on to the new salary scale.

As regards the first question, the Committee of Experts recommended that the introduction of the new plan should not mean a reduction in salary for present

* See Official Records of the Fifth session of the General Assembly, Supplement No. 7.

staff; it also indicated its belief that the plan could be put into effect in such a way that few staff members would find a substantial reduction in their previous salary ceilings and that, in the small number of such cases which would arise, the Secretary-General should consider the possibility of making special arrangements on the basis of the facts in each case. In studying the steps necessary to implement the scheme the Secretary-General, while concurring in the principle that in no case should a staff member's current salary plus cost-of-living allowance be reduced, became firmly convinced that the only sound policy on the question of ceilings would be to safeguard the rights of the present staff members, subject to satisfactory performance of duty, to rise to a salary equivalent to the ceiling of their previous grade. Accordingly, he proposed that any reduction in salary or in incremental expectation which a staff member may suffer as a result of reclassification of his post should be compensated by payment of a personal pensionable allowance. The Advisory Committee, in paragraphs 27 to 33 of their report on the budget estimates (A/1312), does not consider the Secretary-General's proposal to be fully justifiable and suggests instead an arrangement under which such personal allowances for staff members whose salary is already above the ceiling of their new grade levels, or who are proceeding to a maximum on their present grade higher than the maximum of the appropriate new salary level, would cease upon expiration of present contracts or after one year from the date on which new salary scales may enter into force, whichever is the shorter (after one year in the case of those having temporary indefinite contracts). Acceptance of the Advisory Committee's proposal would have no appreciable effect on the budget estimates submitted for 1951 but would result in savings in 1952 and subsequent years. The Secretary-General is convinced however, that a most serious blow to the morale of the staff would be unavoidable if any course, other than the one he has recommended, were to be adopted. Indeed, he has considered it necessary to notify the staff that he would recommend a transition based on this assumption. He is persuaded that the alternative proposals of the Advisory Committee envisage the achievement of a purely financial economy at a totally incommensurate risk. Moreover, the whole review of posts and the assignment of staff to appropriate categories in the new scheme would have been possible only on the assumption that regrading of individual posts and their incumbents at a correspondingly lower level would entail no loss in the rights and expectations inherent in the terms of the individual staff member's appointment.

/As regards the

As regards the date on which the present staff should be placed on the new salary rates, the Secretary-General, in studying the scheme proposed by the Committee of Experts, reached the decision that it would be advantageous to move staff members to the appropriate new salary rate on a single date, and he therefore presented his 1951 budget proposals on the assumption that staff members would be assimilated to the new system at an equivalent salary, or at the next higher step, on 1 January 1951. The staff have been informed of this proposal and the Secretary-General recommends that the General Assembly approve the budget estimates on this basis rather than accept the Advisory Committee's suggestion in paragraphs 34 to 38 of their report on the budget estimates (A/1312), which would stagger the transition to the new salary rates throughout the year, with a saving of \$100,000 in the over-all estimates for established posts. The Secretary-General therefore recommends the approval of the appropriate sections of the budget as they stand in the confident belief that the best interests of the United Nations will thereby be served.

11. The fourth major point is the frequency of home leave. The Secretary-General, as he pointed out in 1949, believes that reasonable provision for home leave of staff recruited from countries other than that of their duty station, far from being a luxury, is an investment which yields rich dividends. This belief is progressively confirmed by increasing experience. He strongly urges, therefore, that home leave should be granted once every two years, rather than once every three years, as proposed by the Advisory Committee, and points out that a substantial saving under this heading will in any event be achieved, in the long run, by the abolition of the additional ten days of home leave, and by the elimination of such leave for staff members serving in their own country. Approval of this principle would make no difference to the 1951 budget, but the Secretary-General believes the matter is of such importance that he seeks the guidance of the General Assembly on it.

12. The fifth point is the question of how the factor of expatriation should be recognized in the compensation of staff recruited from countries other than that of their duty station. The Secretary-General has already stated that he is prepared to accept the principle of repatriation grants instead of the present expatriation allowance and, accordingly, his budget estimates have been prepared on this basis. He recommends that the General Assembly approve this new basis by adopting the proposed permanent Staff Regulation 9.4 (A/1360) which reads as follows:

/"The Secretary-General

"The Secretary-General shall establish a scheme for the payment of repatriation grants in accordance with the maximum rates and conditions specified in Annex II of these Regulations."

Since these benefits are to be drawn at the end of service, the conditions and rates are clearly of considerable importance and need to be put on a stable and permanent basis as part of the conditions of a staff member's appointment. The Secretary-General accordingly believes it would be desirable for the General Assembly to fix the maximum rates in an annex to the permanent Staff Regulations. The scale of rates recommended by the Committee of Experts, and a greatly reduced scale as proposed by the Advisory Committee, are set forth in annex A to the present document. In this connexion, the Secretary-General desires to emphasize the view that monies repaid by the Pension Fund when a staff member leaves the Secretariat, and any termination indemnity to which he may be entitled, are completely irrelevant to the repatriation grant. In his opinion, staff members should not be obliged to dissipate Pension Fund payments in the expense incurred of settling down anew in the staff members own country, neither should these payments be used as an argument for reducing the amount of the repatriation grant to staff members whose circumstances warrant such a payment. In short, the Secretary-General takes the view that if the permanent expatriation allowance, which he has supported before the General Assembly on previous occasions and which the staff overwhelmingly favour, is to be replaced by a repatriation grant, the rates for the latter must be adequate to avoid an inequity to staff uprooted from their home countries. He consequently favours the scale of rates recommended by the Committee of Experts.

13. The sixth point relates to the rental allowance, on which the Secretary-General accepted the Committee of Experts' recommendation that payments of allowances and subsidies should be discontinued not later than 1 January 1952 and that, where United Nations leases expire before that date, staff members receiving the rental subsidy should be granted rental allowance for the balance of the period. The Advisory Committee has agreed that the rental allowance and subsidies should be discontinued not later than 1 January 1952, but has recommended, in addition, that they be gradually reduced during 1951. In line with this recommendation, the Advisory Committee has proposed (A/1312, paragraphs 174-178) that the amount requested by the Secretary-General in his 1951 budget estimates should be reduced from \$417,000 to \$300,000. The Secretary-General is not able to agree with the gradual reduction of rental allowance and subsidies

/during 1951

during 1951, as recommended by the Advisory Committee. The loss of the expatriation allowance, the move to the new Headquarters building in Manhattan, the 26 per cent increase in living costs since 1946, and the possibility of salary cuts by the introduction of the proposed local salary scheme would add up to a considerable reduction in take-home pay for some staff members in the lower categories. He believes that the allowance and subsidies should be continued in full during 1951, in order that the staff members may make personal arrangements to take into account the discontinuance of the expatriation allowance and the rental allowance or subsidy in 1952.

14. Two other points remain, though they do not involve decisions of comparable importance at this stage:

(a) The first relates to children's allowances and education grants, concerning which the Secretary-General in 1949 proposed amendments to the provisional Staff Regulations designed to bring Secretariat practice into conformity with the recommendations of the Committee of Experts (A/C.5/331/Add.1 paragraph 31). After discussion with the specialized agencies, the Secretary-General is convinced that the nature and character of the Regulations would be better preserved by avoiding any mention of detailed conditions and by substituting, therefore, a general provision (proposed permanent Staff Regulation 3.4) which reads as follows:

"The Secretary-General shall establish a scheme for the payment of children's allowances, education grants and such other allowances as he may deem necessary in the interests of the Organization".

Under this regulation, the Secretary-General would set forth detailed conditions in the Staff Rules, retaining the amounts presently provided for the children's allowance and the education grant, but accepting the minor changes proposed by the Committee of Experts. (See annex A, item VI). The General Assembly would, of course, have the opportunity of reviewing the administration of these allowances at any of its regular sessions in connexion with its consideration of the budget estimates.

(b) The second is a point of major significance in the administration of the Secretariat, namely, the proposal for a social security system and the compensation arrangements to be approved in the event of accident or illness attributable to service. The Advisory Committee has recognized that the Committee of Experts' proposals are a rationalization of present arrangements. The Secretary-General has already put the plan into operation on a provisional basis,

/but agrees that

but agrees that a complete review should be made, and a further report presented to the General Assembly at its sixth session, in the light of an additional year's experience. It is on this understanding that the Secretary-General recommends that the General Assembly approve permanent Staff Regulation 6.2, which reads as follows:

"The Secretary-General shall establish a scheme of social security for the staff, including provisions for health protection, sick leave and maternity leave, and reasonable compensation in the event of illness, accident or death arising out of or in the course of performing official duties on behalf of the United Nations".

15. The Secretary-General wishes to make it clear that it is his firm conviction that to put into effect the proposals of the Committee of Experts as now modified will substantially augment the working efficiency of the Secretariat, and enable it to meet with increasing success the growing demands which the complexities of the world situation inevitably place upon it.

16. To summarize, therefore, the Secretary-General recommends that the General Assembly should recognize the importance and urgency of the reforms concerned by taking the following specific steps:

(a) Approving the proposed permanent Staff Regulations as presented in document A/1360.

(b) Approving the Secretary-General's budgetary proposals so far as salary levels, salary differentials, transition arrangements, repatriation grants and rental allowances and subsidies are concerned, i.e. agree with the 1951 budgetary appropriations recommended by the Advisory Committee in document A/1312, except for the proposed global reduction of \$117,600 in the provision for rental allowance (section 17 of the budget estimates), the \$73,400 reduction for application of a minus 5 per cent salary differential in Geneva (section 20 of the budget estimates) and the global reduction of \$100,000 on the provision for established posts (section 33 of the draft appropriation resolution submitted by the Advisory Committee).

(c) Expressing its definite view on the frequency with which home leave should be granted.

SUMMARY OF PRINCIPAL RECOMMENDATIONS CONCERNING THE SALARY,
ALLOWANCE AND LEAVE SYSTEMS OF THE UNITED NATIONS

(1)	(2)	(3)	(4)
Committee of Experts' recommendations (A/C.5/331 of 31 October 1949)	Secretary-General's original observations (A/C.5/331/Add.1 of 15 November 1949)	Advisory Committee's recommendations 1950 (A/1312 and A/1313)	Secretary-General's observations to the fifth session of the General Assembly
I. ORGANIZATION AND CLASSIFICATION OF STAFF (paragraphs 19-28)			
To improve the grouping of posts, through the establishment of, at most, four categories:	Accepts Experts' recommendations.	Accepts recommendations in principle.	Accepts categories proposed by Experts. Suggests substitution of "Professional personnel" for "Substantive service personnel".
<ul style="list-style-type: none"> (i) Directors and principal officers; (ii) Substantive service personnel; (iii) Special service personnel; (iv) General service personnel. 		Suggests adjustment in number of levels in "substantive" or "professional" category from 4 to 3 by providing 3 salary levels instead of 2 for the salary range \$5000-\$9500.	Accepts Advisory Committee's suggestion for 5 instead of 4 salary levels in "professional" category, provided larger specialized agencies agree to same number and scale.
To effect a substantial reduction in the number of grades in each category.			
Suggested number of grade levels by categories:			

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

I. (continued)

Directors and principal officers: 3
 Substantive service: 4
 Special service: 3
 General service: 5

II. SALARIES OF INTERNATIONALLY RECRUITED STAFF (paragraphs 29-48)

A. (i) Assistant Secretary-General: \$17,500 plus representation allowance \$4,500 - \$7,500.

(i) Accepts and proposes to fix Assistant Secretaries-General's representation allowance at \$5,000.

(i) No comment.

(i) Recommends \$16,000, with allowance of from \$4,500 to \$9,000 at the Secretary-General's discretion.

(ii) Principal director: \$15,000 plus allowances ordinarily available to eligible staff (no representation allowance, but reimbursement of actual hospitality expenses up to \$1,500).

(ii) Accepts

(ii) Recommends \$12,000 - \$12,500 (net) plus ordinary allowances plus representation up to a maximum of \$3,000. Only in exceptional cases should the maximum be granted.

(ii) Is prepared to accept salary range \$13,000 to \$13,500, with allowance of from \$1,000 to \$3,500 at Secretary-General's discretion.

/A. (iii) Directors:

(1)	(2)	(3)	(4)
<u>Committee of Experts' recommendations</u>	<u>Secretary-General's original observations</u>	<u>Advisory Committee's recommendations</u>	<u>Secretary-General's observations to the fifth session of the General Assembly</u>
II. (continued)			
A. (iii) Directors: \$12,500 - \$14,000 (3 x \$500*)	(iii) Accepts, with note that "some slight adjustment in the detailed level below that of principal director may be required".	(iii) \$11,000 - \$12,200 (4 steps)	(iii) Recommends \$12,500 - \$13,500.
(iv) Principal officers: (5 x \$400*) \$10,000 - \$12,000		(iv) Increments should be granted at two-year intervals rather than annually after a salary of \$10,800 has been reached.	(iv) Accepts Advisory Committee's recommendations.
B. <u>Professional Service</u>			
(i) Senior officer: \$9,000 - \$11,000 (6 x \$300*) (1 x \$200*)		Categories "Officer" and "Intermediate officer" might be divided into three levels. (See I above).	Accepts (see I above), with proviso concerning specialized agencies
(ii) Officer: \$7,000 - \$9,500 (10 x \$250*)			

* Number and amount of annual increments.

/B. (iii) Intermediate

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

II. (continued)

B. (iii) Intermediate officer:
\$5,000 - \$7,500
(10 x \$250*)

(iv) Assistant officer:
\$3,600 - \$5,400
(9 x \$200*)

C. Special service

(i) Officer: \$7,000 - \$9,500
(10 x \$250*)

(ii) Intermediate officer:
\$5,000 - \$7,500
(10 x \$250*)

(iii) Assistant officer:
\$3,600 - \$5,400
(9 x \$200*)

(paragraphs 49-59)

To retain existing method - Accepts experts' proposals.
flat percentage differential for all salary levels - subject to following modifications:

Concurs generally, but believes that:

* Number and amount of annual increments.

/(a) Smallest

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

II. (continued)

(a) Smallest differential, plus or minus, to be 10 per cent; larger differentials to be established in multiples of 10 per cent.

(b) Differential to be applied to the proportion (perhaps 75 per cent) of salary affected by living costs in the area of assignment.

To fix differentials primarily on basis of the relative cost of living between areas, but to give due regard to differences in salary and living standards, variations in living conditions, climate, educational and cultural facilities, etc.

(a) Initial differential may be less than 10 per cent;

(b) Minimum adjustments, may be made in multiples of 5 per cent;

(c) Differential should be applied to 100 per cent of salary.

(a) and (b). Prefers Experts' proposals.

(c) Believes Experts' plan of applying differential to 75 per cent of staff member's salary is more equitable.

(1)

(2)

(3)

(4)

Committee of Experts'
recommendations

Secretary-General's
original observations

Advisory Committee's
recommendations

Secretary-General's
observations to
the fifth session of
the General Assembly

III. CONSOLIDATION OF COST-
OF-LIVING ADJUSTMENT
WITH BASE SALARIES

Headquarters
(paragraphs 46-47)

To consolidate the cost-of-living adjustment with the base salary rate. The revised salary plan incorporating the present cost-of-living adjustment should be subject to review in the event of significant and substantial changes in the level of costs and salaries generally.

Accepts Experts' proposals.

No comment.

Same as column (2).

IV. SALARIES OF LOCALLY
RECRUITED STAFF

A. Local staff at Headquarters

To review existing gradings and salary scales for clerical and secretarial staff in comparison with prevailing rates in the New York area.

Accepts.

Accepts.

Same as column (2).

/Suggested

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

IV. (continued)

A. Local staff at headquarters
(continued)

Suggested salary grouping for General service category:

<u>Net rates</u>	<u>Annual increments</u>
\$1900 - \$2600	7 x \$100
2200 - 3000	8 x 100
2600 - 3500	9 x 100
3000 - 4200	8 x 150
3600 - 5400	9 x 200

B. Local staff at stations other than Headquarters
(paragraphs 66-69)

Salaries and wages of locally engaged staff not to have any direct relation to Headquarters salaries for similar staff. To be fixed and paid in local currency, and to be equivalent to the best prevailing rates of the local area, or in certain circumstances (see paragraph 71) above such rates. Changes in the prevailing levels of costs and salaries in a given locality to be met by periodic adjustments of

Accepts.

Accepts.

Same as column (2).

/salaries

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

IV. (continued)

B. Local staff at stations other than Headquarters
(paragraphs 68-82)
(continued)

salaries rather than by cost-of-living adjustments.

C. Semi-local staff

To receive same base salary as local staff, augmented by a permanent non-resident's allowance of a flat amount, which should be pensionable.

All allowances to be granted to local and semi-local staff away from Headquarters, in accordance with the rules and regulations applicable to Headquarters staff of similar categories, except that the amount of children's allowance may be varied according to area of assignment.

Accepts.

Accepts, subject to reservation that sufficient flexibility must be retained to allow the Secretary-General to fix rates at points between those appropriate for locally recruited staff on the one hand and the international staff on the other.

Same as column (2).

No objection to Advisory Committee's reservation, but believes same objective can be achieved if flexibility in setting non-residence allowance is preserved.

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

V. APPLICATION OF THE CLASSIFICATION AND SALARY RECOMMENDATIONS (paragraphs 83-91)

Recommendations relating to (i) the establishment of posts according to the proposed new system; and (ii) a review of the qualifications of staff members in terms of such posts

Accepts (in outlining the principles and procedures to the staff, the Secretary-General elaborated his plans for transition to the new scheme, which included the assumptions to be used as a basis of the 1951 budget estimates, viz. that:

(1) In no case would the staff members' current salary plus cost of living be reduced - if he were placed in grade in which the ceiling is lower than his salary, the difference would be paid as a personal allowance;

In general agreement with principles of transition laid down by the Experts, but stresses need for reduction of posts, particularly in the higher grades. The Committee does not concur with the Secretary-General's proposals for implementation of the principles, but recommends that:

(1) Personal allowances for persons above the ceiling of their new grade levels should be paid only until the expiration of present contracts, or after one year, whichever is the shorter (for one year in the case of temporary indefinite contracts);

Same as column (2)

/(2) In every

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

V. (continued)

(2) In every case where the maximum rate of a staff member's new salary is lower than the top step of his existing grade, he would be entitled to receive annual increments until he has reached the ceiling of his present grade. Again, the difference between the rates in his old grade and the ceiling of his new grade would be payable as a personal allowance.

(3) Staff members should be assimilated to the new system at an equivalent salary or at the next higher step on 1 January 1951. His next increment would fall due at the beginning of the pay-period in which his old-scale increment would have fallen due, or in January 1952,

(2) Personal allowances should also be paid to staff members proceeding to an old ceiling which is above the maximum for their new grade, with the same limitations.

(3) Staff members should not automatically be moved to the new scale as of January 1951. Only those who have earned the next higher step rates would be transferred as of that date. For other staff members, service credits earned under the old salary system would be calculated up to 1 January 1951; service

/whichever is

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

V. (continued)

whichever is later.

Credits after 1 January 1951 would be calculated on the basis of the new system.

VI. CHILDREN'S ALLOWANCES AND EDUCATION GRANTS (paragraphs 92-98)

Children's allowances:

(i) To maintain the present rate (\$200) for all Headquarters staff;

Accepts Experts' proposals. Revision of Staff regulation 30 is necessitated.

Agrees to points (i) and (ii)

Same as column (2)

(ii) To establish identical standards of entitlement for male and female staff members;

(iii) To revise Staff Regulation 30 and Staff Rule 35, so as to make the children's allowance payable in respect of dependant children "under the age of 18 years, or if the child is in full-time attendance at a school or university or is totally disabled, under the age of 22 years."

(iii) Recommends that the existing age limit of 16 be maintained with a new limit of 21 for children in full-time attendance at a school or university or totally disabled children.

/(iv) For local

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

VI. (continued)

(iv) For local (and semi-local staff at offices away from Headquarters the amount of the allowance to be independently determined, with due regard to local conditions and circumstances, and to be fixed and payable in local currency.

Agrees with (iv)

Education grants:

(i) To remove the 11 years of age limitation in respect of attendance at special national and United Nations International schools;

Accepts Experts' proposals.

(i) Agrees to raise age limit in respect of attendance at special national schools from 11-13; doubtful about raising age limit for international schools.

Prefers Experts' plan

(ii) To widen the scope of Staff Regulation 33(a) to include countries other than the

Revision of Staff Regulation 33 is necessitated.

(ii) Does not agree to widening of area for which education grant may be paid.

Prefers Experts' plan

/staff member's

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

VI. (continued)

staff member's country of nationality or leave, provided that they are in the same geographical area and have a similar educational and cultural system; to impose certain additional travel restrictions (see paragraph 98)

(iii) Over-all age limitation for payment should be kept at 21.

Prefers Experts' plan

VII. TRAVEL AND SUBSISTENCE ALLOWANCES (paragraphs 99-100)

(i) To extend eligibility for the standard travel rate of \$12.50 (present grade 15) to \$5,000 salary level.

Accepts

(i) Accepts

Same as column (2)

(ii) To authorize first-class travel for senior and intermediate officials while on official travel (not home leave).

(ii) Discretion should be left to the Secretary-General.

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

VIII. INSTALLATION ALLOWANCES (paragraphs 101-105)

To substitute for the existing system of installation grant and installation allowance (60 days) the payment of installation allowances (30 days) assimilated to the travel subsistence rates.

Accepts

Accepts merger of two allowances with note that amounts should be left to the discretion of the Secretary-General.

Accepts Advisory Committee's recommendation

IX. EXPATRIATION ALLOWANCE (paragraphs 106-111)

Substitute repatriation grant, as follows:

Accepts "...the Secretary-General feels, in view of the repeated recommendations of the Committee of Experts and supported by many delegations, that further representations by the Secretary-General would be futile."

Agrees to substitution of repatriation grant with approximately the half amounts proposed by Experts.

Same as column (2) On scale, accepts Experts' proposal in (1)

/Years of

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committees' recommendations

Secretary-General's observations to the fifth session of the General Assembly

IX, (continued)

Years of continuous service away from home country	Staff member with neither a wife, dependent husband or dependent child at time of termination (months of salary)	Staff member with a wife, dependent husband or dependent child at time of termination (months of salary)
--	--	--

After:

2 yrs.	1	2
3 "	1-1/2	3
4 "	2	4
5 "	2-1/2	5
6 "	3	6
7 "	3-1/2	7
8 "	4	8
9 "	4-1/2	9
10 "	5	10
11 "	5-1/2	11
12 "	6	12

Proposes following scale:

Years of continuous service away from home country	Staff member with neither a wife, dependent husband or dependent child at time of termination (weeks of salary)	Staff member with a wife, dependent husband or dependent child at time of termination (weeks of salary)
--	---	---

After:

2 yrs.	4	8
3 "	5	10
4 "	6	12
5 "	7	14
6 "	8	16
7 "	9	18
8 "	10	20
9 "	11	22
10 "	12	24
11 "	13	26
12 "	14	28

/ Maximum

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

IX. (continued)

Maximum grant to be:

Maximum grant to be:

For staff member without dependants:
\$5,000 (net)

For staff member without dependants:
\$2,500 (net)

For staff member with dependants:
\$10,000 (net)

For staff member with dependants:
\$5,000 (net)

Does not recommend the establishment of a special trust fund supported by annual contributions on the part of the Organization, but an annual appropriation of the amount established during the fiscal year.

On financing, agree with Advisory Committee's recommendation.

X. RENTAL ALLOWANCE (paragraph 112)

To discontinue rental allowance and subsidies not later than 1 January 1952. Where United Nations leases expire before that date, staff members receiving the rental subsidy to receive rental allowance for the balance of the period.

Accepts (paragraph 13)

Recommends (in budget report A/1312) that rental subsidies and allowances should be gradually reduced during 1951 and extinguished not later than 1 January 1952. (Budget provision is reduced from \$417,000 to \$300,000 on this basis).

Same as Column (2).

/s/ H. THOMAS

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

XI. TENURE AND TERMINATION
INDEMNITIES
(paragraphs 113-119)

(i) To abolish the quinquennial review of indeterminate appointments;

Accepts

(i) Recommends retention of quinquennial review of "permanent" appointments.

Accepts Advisory Committee's recommendation

(ii) To retain the present minimum and maximum indemnity payments for staff on indeterminate appointments;

(ii) Agrees with Experts.

(iii) To provide that staff members whose fixed-term appointments are renewed after the initial period become eligible for termination indemnity on the same basis as that proposed for staff members serving on temporary indefinite appointments;

(iii) Recommends that no change be made in present rules governing indemnities for fixed term appointments.

(iv) To abolish termination indemnity during first year of service of temporary staff;

(iv) Agrees with Experts.

(v) To increase the number of indeterminate appointments, subject to the reservations set forth in paragraph 115;

(v) Recommends increase in the number of indeterminate appointments in the middle grades.

(vi) Gradually to eliminate the category of fixed-term appointments.

(vi) Agrees with Experts.

(1)

Committee of Experts' recommendations

Proposed schedule of termination indemnities:

(i) Indeterminate staff:

<u>Years of completed service</u>	<u>Months of indemnity payment</u>
1-3	3
4	4
5	5
6	6
7	7
8	8
9 and over	9

(ii) Staff on fixed-term appointments:
Indemnity

(a) On completion of initial term of contract;

nil

(b) On completion of subsequent terms of contract;

Scale of indemnity applicable to temporary indefinite appointments (see below (iii)(b)).

(c) On termination by the United Nations before expiry date of fixed-term contract.

Five days' salary for each month of uncompleted service, or the amount provided under (iii)(b) below, whichever is the greater.

(2)

Secretary-General's original observations

(3)

Advisory Committee's recommendations

(4)

Secretary-General's observations to the fifth session of the General Assembly

(i) Agrees.

(ii) Agrees, except for (b) - no indemnity should be paid.

Accepts Advisory Committee's recommendation.

/(iii) Staff on

A/13/76
PAGE 30

(1)	(2)	(3)	(4)
<u>Committee of Experts' recommendations</u>	<u>Secretary-General's original observations</u>	<u>Advisory Committee's recommendations</u>	<u>Secretary-General's observations to the fifth session of the General Assembly</u>

XI. (continued)

(iii) <u>Staff on temporary/indefinite appointments:</u>	<u>Indemnity</u>
(a) On termination during first year of service:	nil
(b) On termination after one year of continuous service:	

(iii) Agrees.

<u>Years of service</u>	<u>Months of salary</u>
1	1
2	1
3	2
4	3
5	4
6	5
7	6
8	7
9 and over	8

XII. ANNUAL LEAVE
(paragraphs 120-121)

To continue the existing provision of 30 working days per calendar year. Total accumulation to be reduced from 100 to 60 days.

Accepts

Accepts

Same as column (2)

XIII. HOME LEAVE

(1)

(2)

(3)

(4)

Committee of Experts' recommendations

Secretary-General's original observations

Advisory Committee's recommendations

Secretary-General's observations to the fifth session of the General Assembly

XIII. HOME LEAVE
(paragraphs 122-127)

(i) To reduce the frequency of home leave from two to three years.

(i) Rejects

(i) Accepts Experts' recommendation

Same as column (2) in respect of item (i), (ii) and (iii).

(ii) To discontinue the granting of ten additional working days.

(ii) Accepts

(ii) Accepts Experts' recommendation

(iii) Staff member to certify willingness to serve a further two years with the Organization. In the event of his leaving the Organization within a shorter period (unless with the concurrence of the Administration) home leave travel expenses to be recoverable from amounts owed to him by the Organization.

(iii) Rejects. Proposes alternatively to withhold home leave in the case of a staff member not expected to serve an additional six months. Where staff member resigns without the concurrence of the Administration within one year of his return from home leave, the Organization would not pay both the home leave costs and the repatriation costs.

(iii) Agrees with the Secretary-General

(iv) None of the existing home leave provisions to be extended to staff members whose duty station is in their home country.

(iv) Rejects

(iv) Modification proposed as follows: "that a staff member whose home country is the country of his duty station or who continues to reside in his home country while performing his official duties, should not be eligible under any home leave provisions."

Accepts Advisory Committee's recommendation.

/XIV. SOCIAL

(1)

Committee of Experts'
recommendations

XIV. SOCIAL SECURITY
PROVISIONS

(paragraphs 129-147)

(See detailed recommendation
as set forth in paragraphs
129-147).

(2)

Secretary-General's
original observations

(paragraph 23)

Accepts, subject to the following observations: "The more important provisions of the proposed social security scheme relate to compensation in the event of accident or illness attributable to service, both for regular members of the Secretariat and auxiliary personnel. The Secretary-General proposes to use the plan advanced by the Committee as a guide for the payment of compensation should need arise during the forthcoming year. The question is so important, however, that the Secretary-General wishes to give the matter further study in consultation with representatives of the specialized agencies, and he would hope to report further on this subject to the fifth session of the General Assembly.

(3)

Advisory Committee's
recommendations

Agrees that recommendations of the Experts represent rationalization of present position. Unable to endorse in detail pending further study of financial implications and comparative benefit schedules.

(4)

Secretary-General's
observations to
the fifth session of
the General Assembly

Agrees with Advisory Committee's recommendation for further study; meanwhile proposes to use proposals of Experts as a guide as cases arise.

ANNEX B

REPORT OF THE CONSULTATIVE COMMITTEE ON
ADMINISTRATIVE QUESTIONS

1. The Consultative Committee on Administrative Questions held its tenth session at UNESCO House from 4-6 September 1950. This session was called to enable executive heads of the specialized agencies to express their views on the proposals contained in the report of the Committee of Experts on Salary, Allowances and Leave Systems and in the first report of 1950 of the Advisory Committee, so that these views may be submitted to the General Assembly before it takes final decisions upon these reports.
2. Representatives of the United Nations, UNESCO, the Bank, the Fund, ICAO, ILO, IRO, UPU, and WHO attended the discussions; FAO submitted its views in writing and sent an observer to the meeting; no representative of IMO, PC-IMCO, ICITO and ITU attended.
3. The representatives of the Fund and the Bank expressed themselves in agreement with the general principles of the Experts report but, in view of the highly specialized nature of their respective functions, wished to append to the present report a separate statement. This is included as an appendix.
4. The Committee, recognizing the sound administrative basis of the Experts' conclusions, affirmed its general agreement with the fundamental principles expressed in the salary report, subject to the retention of that flexibility in the application of the proposals as a whole, recognized by the Committee of Experts in paragraph 16 of its report and endorsed by the Advisory Committee in paragraph 14 of its statement.

The Committee felt, however, that it was not called upon to express its views on all the details of the experts' plan, but could concentrate only upon those main points which were the essential features of the proposals and that, further, in noting this expression of view at the secretariat level, it should be borne in mind that the competent governing bodies of a number of agencies have not yet expressed an opinion on the Experts' plan. The Committee also thought it wise to direct its discussions on the varying points to the principles of policy involved and not to discuss the matter of implementation unless this was so bound to the policy itself that it was not possible to discuss the one and not the other.

5. On the question of organization of staff, the Committee considered that the report of the Experts constituted substantial progress in the right direction. There was general agreement on the principle of categories to differentiate between varying groups of staff. While raising no objection to the inclusion where required of a Special Service Category, the Committee recognized that most agencies would find little or no use for this particular group in the foreseeable future.

The Committee considered it important to give some prominence to the matter, noted by the Advisory Committee in paragraph 31 of its report, that suitably qualified staff members, assigned in the first instance to the General Service Category, should be provided with full opportunity for advancement into the Professional Category whenever suitable vacancies existed.

It was decided not to discuss the Director and Principal Officer Category which, on the existing proposals, was far more applicable to the United Nations than to any specialized agency. The differing structure of the agencies would need different solutions and the agencies would reserve their right to establish a Director Group which would best serve their individual needs.

6. In the matter of classification of staff, the Committee agreed with the Committee of Experts that there should be a substantial decrease in the number of grades in the classification schedule at present used in the United Nations and in some specialized agencies.

The Committee considered the proposal of the Advisory Committee to include an additional level in the Professional Category and reached the conclusion that it should be possible to modify existing classification systems within a range of five levels for this category. The Committee, however, was unanimous that this proposal should involve reconsideration of the salary ranges within this category. The particular point in the scale at which the additional level should be placed would need careful study.

Although technical discussion of the salary scale itself was not regarded by the Committee as within its competence, there was general acceptance of the salary range \$3,600 - \$11,000 for the Professional Category.

The Committee was in agreement with the original proposals of the experts that salary differentials should be calculated in multiples of 10 per cent in order to avoid too frequent changes in salary payments, and because of the practical impossibility of refining any cost-of-living calculations promptly /and accurately.

and accurately. The Committee was further of the opinion that the reasons for applying any differential to only 75 per cent of the salary were sound.

7. The Committee expressed its agreement with the principles laid down by the Committee of Experts with regard to the General Service Category.

8. The Committee recognized that the application of the classification and salary recommendations was a difficult task and that each agency must determine its own transitional regulations in the light of existing conditions, and based upon its financial resources and its established policies. The views of the Advisory Committee in paragraph 10 of its report, and those of the Experts in chapter IV of their report were noted, and were considered an important contribution to the solution of the problems involved.

The Committee considered it essential that all agencies reach agreement on the principles to be observed in applying the classification and salary recommendations to existing staff, regard being had to contractual variations and other special circumstances.

9. On the question of allowances the views of the Consultative Committee may be summarized as follows:

(a) There was general agreement with the proposals of the experts on the children's allowance, together with the recommendation that the maximum age limit for this allowance (as well as for the education grant) in respect of children at full-time attendance at a university, should be 22 years.

(b) The recommendations of the experts regarding travel allowances were accepted, leaving discretion with the executive head of the organization concerned to authorize first-class travel for senior and intermediate officials while on official duty.

(c) There was agreement on the method proposed for the payment of installation allowances, and the Committee considered that the rate of the allowance should be determined by agreement between agencies in the same geographic area.

(d) With regard to the question of education grants, the Committee was in general agreement that existing practices should be continued.

(e) Since a number of agencies do not pay expatriation allowances, no agreement was possible on the substitution of a repatriation grant for the expatriation allowance. The question of introducing a new allowance for some agencies was recognized as a factor which, in increasing the

/financial

financial burden on an organization, might be critically reviewed by its governing body. With this point in mind, the general feeling of the Committee was inclined towards the recommendations of the Advisory Committee.

10. (a) On the question of tenure and termination indemnities, the Committee reached no decision on the advisability of retaining a quinquennial review of indeterminate appointments. It was recognized, however, that the continuation of such reviews has many advantages and that the only agency (ILO) which has a continuity of experience in this connexion was in favour of retaining the review.

(b) The Committee agreed that indemnity payments for temporary indefinite appointments terminated during the first year of service should be eliminated.

(c) The Committee agreed that no indemnity should be paid upon expiration of the first fixed-term appointment. There was mixed opinion regarding payment of indemnities for subsequent fixed-term appointments, although it was recognized that it would be unreasonable to keep a staff member on a series of fixed-term appointments, and not pay any indemnity on the expiration of the final contract.

The Committee felt that the proper way of dealing with the problem was to eliminate it substantially, in providing a tenure of security to those staff members who had been employed for a reasonable period, and to keep to an essential minimum the number of renewals of appointments on a fixed-term basis. There were obviously valid reasons for retaining fixed-term appointments for special tasks.

(d) The Committee generally agreed to the proposed scale for indemnity payments on termination of indeterminate appointments, but considered that there should be inter-agency discussion upon this point to ensure substantial similarity.

11. The Committee agreed on the total annual provision of 30 days leave. It was considered that an adjustment should be made where the normal working week was other than five days. A maximum accumulation of 60 days leave was accepted on the same basis. WHO, however, considered that this latter question was directly connected with the frequency of home leave and the 100-day limit should be maintained if the home leave waiting period should be fixed at a longer interval than two years.

/12. On the question

12. On the question of home leave, the Committee agreed with the proposal to discontinue the granting of ten additional days.

The Committee was unable to agree whether the waiting period between home leave should be two or three years, but did agree with the Advisory Committee that a staff member whose home country is the country of his duty station, or who continued to reside in his home country while performing his official duties, should not be eligible under home leave provisions.

13. On the question of social security provisions, while there was general agreement with the proposals of the experts, the Committee felt that it could not add to the principles which had been thoroughly discussed at its ninth session, and that it would await the further study requested of the ILO on a final scheme, together with an actuarial evaluation of it, before reaching definite conclusions upon these matters.

APPENDIX

STATEMENT OF THE BANK AND THE FUND

The representatives of the Bank and Fund desire the following statement to be included in the report of the Consultative Committee on Administrative Questions:

The Bank and the Fund have noted with great interest the report of the Committee of Experts, as well as the subsequent comments of the Secretary-General and the Advisory Committee on that report. They feel that the experts have pointed out the way to progress. The Bank and the Fund are in general agreement with the principles which have been expounded, but understand that the detailed recommendations have been made with the special problems of the United Nations in view. They, therefore, do not feel called upon to comment on these specific recommendations other than to note that, in several important respects, these recommendations would bring the United Nations into closer accord with the present practices of a number of other international agencies.

Although the Bank and the Fund are in agreement with the general principles expressed in the Experts' report, they do not wish this agreement to be constructed as concurrence in the detailed recommendations made. While common personnel standards and practices among the international agencies are a desirable goal in the abstract, the differences in the functions and locations of the various specialized agencies and the marked differences in the types of staff which they require, in practice detract from the desirability of the goal of common standards. In theory there are two main reasons for common standards and practice: first, to facilitate the transfer of staff between agencies and, second, to foster a high morale among members of the international service by assuring equality of treatment in each of the several agencies.

The Bank and the Fund feel that the facilitation of transfer can be over-emphasized. Specialized agencies, because of their specialization, require substantive staff who are not likely to be able to make the best use of their talents in one of the other international agencies. In the four years of their operating experience, the Bank and the Fund have had fewer than half a dozen inter-agency transfers a piece among the substantive staff. This has not been because of the difficulty of transfer. Indeed, where such transfers have been accomplished the administrative difficulties have been minor, in spite of

/differing

differing personnel standards. It has been because of the fundamental lack of movement between agencies whose requirements are highly specialized.

For the morale of staff it is important that their status and compensation should compare not unfavourably with the customary status and pay of comparable officials in the locality in which they serve, and be adequate to attract and hold necessary staff. It is, therefore, at least as important that the smaller and more centralized international agencies should adopt salary standards which are comparable with local government and business practice as that a common standard should be established for agencies located in different countries under widely varying living conditions. A common salary plan strictly adhered to might in practice result in greater inequality than already exists. Furthermore, it is likely to be extravagant, since a common standard will always approach the most expensive standard.

In general, therefore, the Bank and the Fund believe that it is desirable that the international agencies be in substantial agreement on the principles of personnel standards, but that the detailed application of these principles must rest with the agencies individually.
