REPORT
OF THE
INTERNATIONAL CIVIL SERVICE
COMMISSION

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTY-THIRD SESSION
SUPPLEMENT No. 30 (A/33/30)

UNITED NATIONS
New York, 1978
NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.
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<td>Advisory Committee on Administrative and Budgetary Questions</td>
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<td>Administrative Committee on Co-ordination</td>
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<td>ACPAQ</td>
<td>Advisory Committee on Post Adjustment Questions</td>
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<td>CCAQ</td>
<td>Consultative Committee on Administrative Questions</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FICSA</td>
<td>Federation of International Civil Servants Associations</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>ICSAB</td>
<td>International Civil Service Advisory Board</td>
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<td>ICSC</td>
<td>International Civil Service Commission</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IMCO</td>
<td>Inter-Governmental Maritime Consultative Organization</td>
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<td>IOS</td>
<td>Inter-Organization Board for Information Systems and Related Activities</td>
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<td>ITU</td>
<td>International Telecommunication Union</td>
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<tr>
<td>JIU</td>
<td>Joint Inspection Unit</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>UNITAR</td>
<td>United Nations Institute for Training and Research</td>
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<td>UNJSPB</td>
<td>United Nations Joint Staff Pension Board</td>
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<td>UPU</td>
<td>Universal Postal Union</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WIPO</td>
<td>World Intellectual Property Organization</td>
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<td>WMO</td>
<td>World Meteorological Organization</td>
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Sir,

I have the honour to transmit herewith the fourth annual report of the International Civil Service Commission, prepared in accordance with article 17 of the statute of the Commission which the General Assembly approved by its resolution 3357 (XXIX).

The report contains on this occasion a number of recommendations requiring decision by the General Assembly; for convenience of reference a summary of these is given before the first chapter.

I should be grateful if you would submit this report to the General Assembly and, as provided by article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

I avail myself of this opportunity to renew to you, Sir, the assurances of my highest consideration.

Rafíl A. QUIJANO
Chairman of the
International Civil Service Commission

His Excellency
Mr. Kurt Waldheim
Secretary-General of the United Nations
New York
SUMMARY OF RECOMMENDATIONS CONTAINED IN THE FOURTH ANNUAL REPORT
OF THE INTERNATIONAL CIVIL SERVICE COMMISSION CALLING FOR
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LEGISLATIVE ORGANS OF THE OTHER PARTICIPATING ORGANIZATIONS

Paragraph reference

92 Grade equivalencies to be used for the purpose of salary comparison between the United Nations common system and the United States Civil Service

153 Children's allowance for the Professional and higher categories: the amount of the allowance payable in local currency shall not be less than the local currency equivalent of the dollar amount at the time it was last established, i.e., $450 on 1 January 1975; this measure to take effect from 1 January 1979

164 Termination indemnity: textual correction to provision for indemnity payable to staff member holding a fixed-term appointment and having less than six years' service

174 End-of-service grant: introduction of new entitlement

186 Repatriation grant: payment of the grant to be made conditional upon signature by the staff member of a declaration that he does not intend to remain permanently in the country of his last duty station

194 Death grant: standardized conditions as specified in paragraph 194

233-234 Education grant: expenses incurred by expatriate staff members for the post-secondary education of their children should continue to be eligible for reimbursement under the education grant and the existing exclusion for that purpose of studies in the country of the parent's duty station should be removed

239 The value of the grant in the currency in which the expenses are incurred and the reimbursement made should be protected by a "floor" provision

246 Special provision for the education of disabled children: educational expenses for disabled children to be eligible for reimbursement under the education grant subject to the special conditions laid down.
CHAPTER I

ORGANIZATIONAL QUESTIONS

A. Acceptances of the statute

1. Article 1 of the statute of the International Civil Service Commission, approved by the General Assembly by its resolution 3357 (XXIX) of 18 December 1974, provides that:

"The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ...".

During the first two years of the Commission's existence, its statute was accepted by 10 of the organizations which, together with the United Nations itself, participate in the United Nations common system of salaries and allowances. 1/ Two other organizations, although not having formally accepted the statute, have fully participated in the Commission's work. 2/

2. There has been no change in the situation as regards formal acceptances of the statute since the preparation of the Commission's third annual report. 3/

3. However, the Commission has been approached by the International Fund for Agricultural Development (IFAD), which was established as a specialized agency by General Assembly resolution 32/107 of 15 December 1977, and invited, by resolution 32/102 of 13 December 1977, to "participate in the United Nations common system ... and, in particular, to accept the statute of the International Civil Service Commission". At its first session in December 1977, the Executive Board of the Fund approved the adoption of the United Nations common system for determining the initial salary structure of the staff of the Fund and authorized its President to initiate discussions with the Chairman of the International Civil Service Commission to secure a certain degree of flexibility within the common system, required for a new financing institution with a small staff.


2/ International Atomic Energy Agency; General Agreement on Tariffs and Trade.

4. Following preliminary discussions, the Vice-President of IFAD informed the Commission at its eighth session that it had been ascertained in preliminary meetings with the Consultative Committee on Administrative Questions (CCAQ) that several of the various respects in which the President of IFAD believed the special circumstances of the Fund to call for conditions of service somewhat different from those of the common system were already being considered for introduction into the common system. Three points remained: compensation in the remuneration of the staff of the General Service category of IFAD for the fact that they were not entitled to the commissary privileges enjoyed by the General Service staff of the Food and Agriculture Organization of the United Nations (FAO); similar recognition in the post adjustment system for the fact that the staff of the Professional category of IFAD did not enjoy diplomatic privileges to the same extent as those of FAO; and the fact that IFAD staff, in general, as newcomers to Rome, had to pay rents much higher than those taken into account in establishing the post adjustment index.

5. The Commission noted with satisfaction that IFAD had already adopted the salary structure of the common system and that, by the contacts it had with CCAQ and with the Commission, it was de facto participating in that system. It further expressed its appreciation for the efforts being made by IFAD to reconcile its special circumstances with the standard conditions of the system and approved the only action required of the Commission at that stage, namely, to agree that special account would be taken of the rents paid by IFAD staff in the next housing survey in Rome.

B. Membership

6. Following the appointments approved, on the recommendation of the Fifth Committee, by the General Assembly at the 110th plenary meeting of its thirtysixth session, on 21 December 1977, the membership of the International Civil Service Commission in 1978 was as follows:

Mr. Richard M. Akwei (Ghana) (Vice-Chairman)*
Mr. Amjad Ali (Pakistan)**
Mr. Michael O. Ani (Nigeria)**
Mr. Anatoly Semenovich Chistyakov (Union of Soviet Socialist Republics)**
Mr. Pascal Frochaux (Switzerland)*
Mr. P. N. Haksar (India)**
Mr. Arthur H. M. Hillis (United Kingdom of Great Britain and Northern Ireland)***
Mr. Akira Matsui (Japan)***
Mr. Jiří Vosek (Czechoslovakia)*
Mr. Antonio Fonseca Pimentel (Brazil)***
Mr. Jean-Louis Plihon (France)***
Mrs. Ersa H. Poston (United States of America)***
Mr. Radil A. Quijano (Argentina) (Chairman)*
Mr. Doudou Thiam (Senegal)*
Mrs. Halima Warzazi (Morocco)**

* Term of office expiring 31 December 1978.
** Term of office expiring 31 December 1980.
 *** Term of office expiring 31 December 1981.
C. Sessions held by the Commission and questions examined

7. As in previous years, the Commission held two sessions in 1978: the seventh, held at United Nations Headquarters in New York from 27 February to 17 March; and the eighth, held by invitation of the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO), at that organization's headquarters in Paris, from 3 to 28 July.

8. At the beginning of the year, the Commission recognized that the many questions which in the course of its previous work it had noted for further study, together with those matters referred to it by the General Assembly, resulted in a work programme exceeding what it could deal with in two three-week sessions per year. It also recalled the concern expressed by the Administrative Committee on Co-ordination (ACC), in its comments to the General Assembly on the Commission's third annual report (A/32/362, para. 28) that "the pace at which the review of the various elements of the salary system is being carried out will need to be adjusted to take account of the capacity of the organizations ... to participate in it."

9. It therefore reviewed its programme of work, giving priority to those questions on which the General Assembly had requested the Commission to report in 1978 while maintaining on its agenda several other questions relating to the review of the salary system which it had itself previously noted as urgent and important. Furthermore, it reaffirmed its conviction that under the pressure of more immediate remuneration problems it should not neglect its long-term functions under articles 13, 14 and 15 of its statute. On the other hand, a number of questions which had previously been scheduled for study in 1978 were of necessity deferred until later years.

10. Accordingly, the main questions dealt with by the Commission at its seventh and eighth sessions were as follows:

   (a) In the general area of salaries and allowances, under articles 10 and 11 of the statute, the questions relating to the "Noblemaire comparison" between United Nations remuneration of the Professional and higher categories and that of the national civil service taken as the comparator (determination of the grading equivalencies between the two services; study of a methodology for evaluating and comparing total compensation; comparison of levels of pension benefits and pensionable remuneration; review of the evolution of the margin between levels of remuneration of the two services and consideration of the possible need for changes in the United Nations post adjustment system to preclude the risk of inadvertent changes in the margin); matters arising out of the Commission's 1975-1976 review of the salary system which it had been asked by the General Assembly to study further, namely, entitlements of staff members upon cessation of service and the conditions of the education grant; two other entitlements which the Commission itself had singled out as deserving special study, namely, the children's allowance for the Professional and higher categories and assistance for the special education of disabled children; the continuation of the Commission's studies of the conditions of service of staff posted away from headquarters duty stations (or "field staff"); the principles governing the determination of the staff assessment, gross salary and pensionable remuneration of the General Service category; and finally, two questions which had not previously been included in the Commission's work programme but which had acquired urgency as a result of the world economic and monetary situation, namely, the effects on the salary system of currency instability, in
particular, the depreciation of the United States dollar, and the level of pensionable remuneration;

(b) Within the framework of its ongoing responsibilities in relation to the salary scales of the General Service category at headquarters duty stations, under article 12 of its statute, the conduct of a survey of best prevailing local conditions in Paris and the preparation for the making of similar surveys in the remaining headquarters duty stations;

(c) In the area of job classification, under article 13 of the statute the preparation of a common classification of occupational groups;

(d) Under article 14, the continuation of studies on the career concept and career development in the United Nations system and on recruitment policies as a part of an over-all personnel policy.

11. Summaries of the work done by the Commission in 1978 on all these questions and, where appropriate, its conclusions and recommendations will be found in the following chapters of this report.

D. Subsidiary body

12. The Advisory Committee on Post Adjustment Questions (ACPAQ) established by the Commission in 1976 pursuant to the authorization given by the General Assembly in resolution 3418 A (XXX) was composed in 1978 of the following members: Mr. Pascal Frochaux, member of ICSC, Chairman; Mr. Yuki Miura (Japan); Mr. Geoffrey H. Moore (United States of America); Mr. A. F. Revenko (Union of Soviet Socialist Republics); Mr. James A. de Souza (Brazil), appointed in 1978 in replacement of Mr. Bernardo Ferran (Venezuela), who resigned; and Nana Wereko Ampem II (Ghana), whose former name was E. N. Omaboe and who was reappointed in 1978 for a further term of four years. The Committee held one session from 22 to 31 May at the headquarters of the Inter-Governmental Maritime Consultative Organization (IMCO) in London. The results of that session are summarized in paragraphs 143 to 147 of the present report.
CHAPTER II
ACTION UPON DECISIONS TAKEN BY THE GENERAL ASSEMBLY
AT ITS THIRTY-SECOND SESSION

13. The decisions taken by the General Assembly at its thirty-second session on matters concerning the International Civil Service Commission, apart from that concerning the appointment of members, as already mentioned in paragraph 6 above, related to: (a) the Commission's third annual report; 4/ and, (b) budgetary and administrative arrangements.

A. Decisions arising from the third annual report of the Commission


Review of the relationship between the levels of remuneration of the United Nations common system and the comparator national civil service

15. In section I of the resolution, the General Assembly noted the assurance given by the Commission that it would keep under continual review the relationship between the level of remuneration of the comparator national civil service (namely that of the United States of America) and that of the United Nations common system, "in particular with respect to any divergencies which might result from the operation of the post adjustment system", and requested the Commission to report on the results of that review, in particular on "the feasibility of establishing a modified system of post adjustments" and on "such steps as it may have taken to bring about appropriate corrective action". The report submitted by the Commission in response to this part of the resolution will be found in chapter IV below.

Modification of the post adjustment system

16. By section II of the resolution, the General Assembly approved the Commission's recommendation for a change in the operation of the post adjustment system, whereby "changes in class of post adjustment are based on index movements of 5 per cent rather than of five points", and authorized the Commission "to take all measures necessary for the implementation of that change". Accordingly, the Commission issued the necessary explanations and instructions for the transition from the old classes to the new when the measure was implemented on 1 July 1978, in such a way that neither the amount of post adjustment being paid nor the date of a change in class for which "credit" had already been earned

was affected. The number of classes of post adjustment now in effect in the main duty stations can be seen from the chart in annex I to the present report.

Salaries of the General Service category in Geneva

17. By section III of the resolution, the General Assembly noted with appreciation the Commission's report on the action it had taken under article 12 of its statute concerning the salary scale of the General Service category at Geneva, as well as the action being taken by the Secretary-General and the other executive heads concerned to implement the scale recommended by the Commission together with suitable transitional arrangements (A/C.5/32/51).

18. In accordance with the provision in article 17 of its statute requiring it to include in its annual report to the General Assembly "information on the implementation of its decisions and recommendations", the Commission submits the following information on the action taken in this respect by the seven organizations concerned.

19. As noted by the General Assembly in section III of resolution 32/200, the Commission's recommendation was acted upon by the Secretary-General of the United Nations, who introduced the reduced salary scale for the staff of the United Nations Office at Geneva with effect from 1 January 1978, together with transitional measures, as described to the Assembly, to protect the level of pay reached on that date by staff already in service.

20. At its seventh session, the Commission noted with satisfaction that identical action had been taken by three organizations whose salary scales were statutorily aligned on those of the United Nations, namely the World Meteorological Organization (WMO), the World Intellectual Property Organization (WIPO) and the General Agreement on Tariffs and Trade (GATT), as well as the World Health Organization (WHO), where the decision had been taken by the Director-General in exercise of his statutory powers and reported to the Executive Board. 6/ In the sixth organization, the International Telecommunications Union (ITU), the new salary scales had been implemented by the Secretary-General of that organization, who, however, basing himself on his interpretation of his legal obligations under the terms of staff members' contracts, had decided that within-grade increments should be paid on the basis of the old scale.

21. As regards the seventh organization, namely, the International Labour Organization (ILO), the Commission was informed at its seventh session that the Governing Body, to which the power of decision belonged according to ILO's Constitution, had decided to defer action on the new salary scales pending receipt of an advisory opinion which it had requested from the ILO Administrative Tribunal regarding the legality of modification of the salary scales.

22. At its eighth session, the Commission was informed that the judges of the ILO's Administrative Tribunal had recognized that the Tribunal's statute did not empower it to give advisory opinions. They had, however, given such an opinion in their individual capacities and concluded that, in terms of contract law, "the Director-General, having acted properly within his discretion in accepting the recommendations of ICSC, would not infringe the acquired rights of existing staff members".

6/ The Universal Postal Union (UPU), whose headquarters are in Berne (Switzerland), took the same action.
officials by imposing the new scales. However, in terms of labour law, they concluded that:

"...the bringing into force by the Governing Body of the salary scale and transitional arrangements for General Service staff endorsed by General Assembly resolution 32/200 of 21 December 1977 without prior negotiations with the Staff Union would be a breach of the agreement between the Administration and the Staff Union evidenced by the document of 23 April 1976. We think that, although there is no provision in the Staff Regulations requiring the Director-General to negotiate before he consults the Administrative Committee under Article 14.5, on principles of labour law the staff were right in their contention ... that he should have done so. Accordingly, when negotiations have been completed, we think that he should bring the proposed amendments resulting from them before the Administrative Committee again."

23. The Commission was informed that the Governing Body of ILO, which had previously decided that it would accept the advisory opinion of the Administrative Tribunal as binding, had decided to accept likewise the opinion given by the three judges in their individual capacities. It had therefore decided that the Director-General should have further negotiations with the staff on the matter of the revised salary scale and report back to it at its next session in November 1978.

24. The Commission noted with regret that notwithstanding the consultations between the executive heads of the organizations in Geneva to which the Secretary-General of the United Nations had referred in his statement to the Fifth Committee of the General Assembly (ibid.), in this instance a common solution had not been applied. As a result, the staff of one of the seven organizations in Geneva were being remunerated on a different basis from those of the other six organizations. The Commission considers it to be an essential condition of a common system that staff of the same category in the same duty station should have the same conditions of service; it must therefore express its concern at this situation.

25. In the opinion which they have given in their individual capacities, the judges of the ILO Tribunal appear to have disregarded the new situation with regard to the harmonization of conditions of service within the United Nations common system which has resulted from the adoption of the statute of ICSC, accepted by ILO, and the assumption by the Commission of its functions under paragraph 1, article 12, of its statute. While they state that their opinion relates to the specific circumstances of ILO's rules and procedures, the Commission must point out that if their contention that a modification of the salary scale would be illegal in terms of labour law unless there had been prior negotiations with the staff were to be sustained as a general principle, it would adversely affect the legal basis on which salaries are established throughout the United Nations system and the procedures followed for this purpose.

B. Budgetary and administrative matters

26. The Commission had taken note at its seventh session of the approval by the General Assembly of its programme budget for the biennium 1978-1979 as well as
related decisions it had taken. The Commission adopted statements of its views concerning the subjects dealt with in those two decisions, and in due time communicated them to the Secretary-General of the United Nations. It likewise wishes to bring them to the attention of the General Assembly.

**Honoraria of the Chairman and Vice-Chairman of ICSC**

27. The Commission noted with regret the decision contained in resolution 32/212, section XI, to defer action on the recommendation for an increase in the honoraria of its Chairman and Vice-Chairman. Such an increase had been included by the Commission in the proposals it made under article 21 of its statute; it had been concurred with by ACC and incorporated by the Secretary-General in his budget estimates. In so far as the reversal of attitude in the proceedings of the Fifth Committee may have been the result of a parallel established by some representatives between the situations of the Chairman of ICSC and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Commission believes it should be made clear that there are differences in the ways in which the officers of these two bodies are appointed and in the nature of their duties and responsibilities. It therefore expresses the firm hope that both the Secretary-General, in the study of the question which he was requested to make, and the General Assembly, when, in accordance with its decision, it resumes consideration of the matter on a priority basis at its thirty-third session, will consider it on its specific merits, having due regard to the status and responsibilities of the Commission and of its two full-time officers.

**Class of travel of members of the Commission**

28. The Commission was apprised of decision 32/198 taken by the General Assembly at its thirty-second session on the recommendation of the Fifth Committee, regarding the class of travel of members of organs and subsidiary organs of the General Assembly. In so far as this decision relates to the members of the Commission, the Commission must observe that the Fifth Committee was apparently not made sufficiently aware of the implications of the action it was contemplating. Members of the Commission receive no remuneration of any kind from the United Nations and most of them are not compensated for the time they freely put at its disposal; their situation is thus in no way to be compared to that of salaried senior officials of the Secretariat who are also affected by the decision. Furthermore, the General Assembly does not seem to have appreciated that persons of the standing which members of the Commission are required by its statute to have, by virtue of the senior positions which most of them hold or have held in their national services, have acquired an expectation to first-class travel. To deprive them of that expectation when, moreover, they are giving their services freely can only be detrimental to the quality of experts who will accept to serve the United Nations in bodies such as the Commission. The distinction introduced between those members who continue to be entitled to travel first class and those who no longer are is also, in the Commission's view, invidious.

29. The Commission therefore trusts that the General Assembly will re-examine this decision at its next session, in full knowledge of all the implications concerning the different categories of persons affected by it.
CHAPTER III
EFFECTS ON THE UNITED NATIONS SALARY SYSTEM OF CURRENCY INSTABILITY AND DEPRECIATION OF THE UNITED STATES DOLLAR

Introduction

30. In its examination of the various aspects of the United Nations common system of salaries and allowances, the Commission has been confronted with the effects which the extreme instability of currencies and, in particular, the sharp depreciation of the United States dollar in relation to the currencies of many other countries, have had on that system in the recent past. Obviously, the collapse of hitherto established parities between currencies, particularly the decline of the currency used by the United Nations as its currency of account, have consequences for the organizations going far beyond their effect on the salary system. The Commission believes, however, that it is its duty to bring to the notice of the Governments of Member States the serious strains to which the salary system is being subjected, to analyse them and, in so far as possible, to propose palliatives or conservatory measures.

31. The effects are most evident in relation to Geneva, the duty station where there is the largest concentration of staff of the common system. However, it must be emphasized that the problem is not one concerning only Geneva, Vienna and a few other large duty stations. Every duty station is affected, including those where the opposite trend, namely, depreciation of the local currency against the United States dollar, has continued. Individual staff members having financial commitments in their home country are also affected, whatever their duty station, including New York, when their country's currency has appreciated in relation to the United States dollar.

32. The aspects of the salary system in respect of which the instability of currencies is particularly felt are the following:

(a) The post adjustment system, where an unprecedentedly high level of post adjustment class has been reached in Geneva, almost exclusively as a result of currency exchange fluctuations, with resulting distortions in the functioning of the system (e.g., effect on the ratio of pensionable remuneration to total net remuneration, losses in take-home pay, etc.);

(b) The pensionable remuneration of the Professional and higher categories, which is influenced by the effect which such high levels of post adjustment class have on the weighted average of post adjustments;

(c) The pensionable remuneration of the General Service category, which is affected by the rate used for conversion into United States dollars of salaries expressed in local currencies, with consequent distortion of its relationship to the pensionable remuneration of the Professional category. /7/

/7/ These aspects are dealt with more fully in paras. 281-296 below.
(d) The local currency value of pensions being paid in countries whose currencies have appreciated in relation to the dollar, a question, however, which lies outside the Commission's jurisdiction;

(e) The allowances and entitlements expressed as fixed dollar amounts, such as the children's allowance for the Professional category and the education grant, which have suffered heavy losses in their value as expressed in some local currencies. 

33. At its eighth session, the Commission endeavoured to define the problems more precisely, with a view to evaluating their consequences and considering possible remedies. For this purpose it had before it a study prepared by its secretariat with the assistance of a consultant. It also had before it communications from the Secretary-General of ITU and the Director-General of UPU transmitting the text of resolutions adopted by the Administrative Council and the Executive Council, respectively, of these two organizations; a note from the representative of GATT; and a statement of the joint views of the staff representatives of the organizations having their headquarters in Geneva, Paris and Vienna.

A. Effects on the net remuneration of the Professional and higher categories

34. The Commission first set out to study the extent to which the salary system and, in particular, the post adjustment system, had protected the remuneration of staff of the Professional and higher categories against inflation and currency instability. It noted that since 1971 the General Assembly had on two occasions approved increases in base salaries. Various improvements had further been introduced into the salary system, such as changes of post adjustment by fractional classes to reflect without undue delay fluctuations in exchange rates, the correction of the former excessive differentiation in post adjustment between staff members with and those without dependants, and the application of differential rates of staff assessment, which had the incidental effect of including the allowance for the first primary dependant in the over-all amount subject to post adjustment. The working of those changes in the salary system between 1971 and 1977 made precise comparisons difficult. However, it could be seen from the data provided that during that period net remuneration in local currency in the headquarters duty stations kept pace with the local Consumer Price Index in New York and Paris, was slightly ahead in Montreal and London, but lagged behind by 3 to 5 per cent in Geneva, Rome and Vienna (see annex II, column 5 of table and graphs).

35. Analysis of the corresponding figures arrived at by excluding the two absolute salary increases, that is, the figures as they would have resulted from the sole operation of the post adjustment system, showed that the disparities would have been greatest in those cities, namely, Geneva and Vienna, where the rate of inflation was modest but the appreciation of the local currency in relation to the dollar strongest. Since that portion of net salary (7 per cent of pensionable remuneration equal to approximately 10 per cent of net salary) which corresponds to the staff member's contribution to the Pension Fund is not affected by local cost of living factors and accordingly not included in the salary base to which post adjustment is

8/ These aspects are dealt with more fully in paras. 148-153, 236-240 and 266-280 below.
applied, it could therefore normally be expected that the operation of the post
adjustment system alone (that is, disregarding the absolute salary increases)
would produce a growth in net salary, inclusive of the Pension Fund contribution,
of only about 90 per cent of the rise in local living costs. That was what had
happened in New York, Paris and Rome; London and Montreal had fared slightly better
but Geneva and Vienna, slightly worse (annex II, column 6 of table and graphs).

36. Examining in greater detail the situation in Geneva since 1 January 1977 when
the last changes had been introduced into the salary system, it was found that up
to April 1978 the total remuneration received over 16 months was very slightly more
than 16 times the salary of January 1977. However, the normal operation of the
post adjustment system would have produced a gain of three fifths of a class and
in the months subsequent to April the cumulative result became a loss. Against
this loss should be set the enhanced purchasing power of the staff members' Swiss
francs for all purchases made outside of Switzerland (e.g., a plus-value of more
than 20 per cent in relation to the French franc as against a net increase of
16 per cent in French prices over and above the increase in Swiss prices).

37. In conclusion, the study suggested that, in terms of net salary, the salary
system could be said to have responded reasonably well to the strains of currency
instability and high inflation rates.

38. In the course of the ensuing discussion, representatives of the Geneva-based
organizations pointed out that the results of comparisons made, which had been
relatively satisfactory at one particular grade (P-4, step V) would be less
favourable at other grades and over different periods of time. Indeed, although
the cost of living had risen in Geneva by 4 per cent between 1975 and 1978,
remuneration in local currency had decreased.

39. The representative of FICSA commented that if the salary system could be said
to have responded "reasonably well" to the pressures of inflation, that was not
true of its response to currency fluctuations. In evaluating the over-all
situation, the effect of those fluctuations on allowances expressed as fixed
amounts in dollars should be taken into account. FICSA urged that the question
should be looked at directly in terms of the evolution of net pay; the losses in
local currency incurred in some duty stations, the narrowing of the United States
Civil Service/United Nations common system margin, the decline in real value of
United Nations remuneration, all called for direct action to restore the value of
net remuneration, in the form of consolidation of a number of classes of post
adjustment into base salary as well as an absolute salary increase.

40. While recognizing that Geneva was the duty station with the largest
concentration of United Nations staff and one where the symptoms were most evident,
the Commission nevertheless emphasized that the essential characteristic of the
United Nations salary system was that it should work throughout the world. In that
sense, the Commission believed that it could be said to have performed remarkably
well in circumstances of unforeseen strain and complexity. There were undoubtedly
problem areas which called for remedial action; but it should be realized that the
problems were not due to inherent short-comings in the salary system but rather to
the extraordinary difficulty resulting for a world-wide salary system from the
increasing monetary instability and, in particular, by the decline of the United
States dollar, the unit of account of the system. If there were corrective
measures which could be applied to protect the salary system from the dollar's
weakness, the Commission would recommend them. At the same time, care must
be taken lest, in reacting to an extraordinary situation, measures were adopted which might later, in changed circumstances, prove to create anomalies worse than those they were intended to correct.

41. With these considerations in mind, the Commission examined various proposals which had been made earlier for changes in the post adjustment system: the proposals put forward by UNESCO and by GATT in 1975 for distinguishing in the operation of the system between changes due to currency fluctuations (for which full compensation should be given) and those due to inflation (which should be only partially compensated as at present), 2/ and the proposals made by Mr. Frochaux to the 1971-1972 Special Committee for the Review of the United Nations Salary System for changes in the treatment in the post adjustment system of the staff member's contribution to the Pension Fund, which were designed to give full compensation for changes in the post adjustment index. 10/

42. The Commission concluded that each of those proposals had its advantages but that they would not materially improve the response of the salary system to the problems it now faced which in any case were not the problems they had been intended to deal with. One of the proposals, that of GATT, while favourable to staff in Geneva, would result in serious loss to staff in duty stations where the local currency had depreciated in relation to the United States dollar. Similarly, while the Commission found some attraction in suggestions that an artificial unit of account, such as the Special Drawing Rights or some other basket of currencies, be used for salary purposes, it was not convinced that this would solve the problem and recognized that in the best of circumstances such a course would have implications for the organizations' budgetary and financial systems going beyond the Commission's jurisdiction. It agreed, however, to keep the matter under study.

B. Effects on pensionable remuneration of the Professional and higher categories

43. The effects of currency fluctuations on the pensionable remuneration of the Professional and higher categories could be measured in two ways: the changes in the value of the pensionable remuneration as expressed in the local currencies of the different duty stations, and the changes in its relationship to net remuneration.

44. In terms of local currencies, pensionable remuneration (inclusive of the 15 per cent increase effective on 1 July 1978, as described in paragraphs 48 and 49 below) had increased between 1971 and 1978 by about 90 per cent in New York, by 138 per cent in London, and by 153 per cent in Rome but in Geneva it had decreased by 12 per cent. In real income terms, allowing for cost-of-living increases over the same period, pensionable remuneration had increased by 13 per cent in New York and 3 per cent in Rome but had declined by 3 per cent in London and by as much as 48 per cent in Geneva.


10/ See ibid., Twenty-seventh Session, Supplement No. 28 (A/8728), vol. III, annex XIII.
45. The relationship of pensionable remuneration to net pay was an indirect one, since pensionable remuneration was a uniform amount world wide for each grade and step, whereas net remuneration varied according to the level of post adjustment; nevertheless, it was an important relationship for the staff member since it told him how the pension he would receive after retirement would compare to the pay he received during service (assuming he would retire in the same place as during service, or making allowance for the difference in cost of living between the duty station and the place of retirement). In 1971, pensionable remuneration had amounted to 98 per cent of net remuneration in New York; in 1978 this ratio had risen to 120 per cent. In London it had remained roughly constant, reaching 118 per cent in 1978 compared to 121 per cent in 1971; in Rome it had risen from 120 per cent to 135 per cent; but in Geneva it had fallen from 118 per cent in 1971 to only 80 per cent in 1978.

46. It was evident that, in relation to either of the indicators used, pensionable remuneration had evolved in very different ways in different duty stations. The Commission inquired, firstly, what features of the existing system had led to those divergencies and, secondly, whether it was possible to define an optimum level for pensionable remuneration or an optimum criterion by which it should be determined so as to avoid the existing disparities.

47. Regarding the first question, the Commission gave some consideration to the continued suitability of the mechanism established by the General Assembly in its resolution 1561 (XV), whereby the level of pensionable remuneration for the Professional and higher categories was to be adjusted in relation to its normal parity with gross salary in multiples of 5 per cent, in keeping with the movement of the Weighted Average of Post Adjustments (WAPA). 11/ The Commission noted that that mechanism, based as it was on averages, inevitably over-compensated in some duty stations where post adjustment had risen by less than the average as was the case in New York, and under-compensated in others where the increase of post adjustment had been high as was the case in Geneva.

48. The Commission was informed at its seventh session that the WAPA index, which had stood at 126.0 on 1 January 1977, when the last revision of salaries decided by the General Assembly had taken effect, had reached 146.2 in March 1978. Since this represented an increase of 16 per cent above the 1 January 1977 base, by the terms of General Assembly resolution 1561 (XV), pensionable remuneration of the Professional and higher categories would be increased by 15 per cent (or three multiples of 5 per cent) with effect from 1 July 1978.

49. The Commission noted that the increase in pensionable remuneration would have an effect on the budgets of the organizations, since the employer's contribution

11/ The WAPA index reflects the post adjustment classifications of the headquarters duty stations and 43 other major duty stations. It is weighted by the numbers of staff in the duty stations concerned (and consequently heavily influenced by Geneva, New York, Rome, Paris and Vienna, which together account for 59 per cent of the weighting). For the purposes of resolution 1561 (XV), the movement of the index is read each year in March and September. If the index has moved by one or more multiples of 5 per cent in relation to the level it held at the date when the level of salaries was last fixed by the General Assembly, the corresponding adjustment of pensionable remuneration takes effect in the following July or January.
of 14 per cent was based on the increased level of remuneration. The take-home pay of staff members, on the other hand, would drop as the employee's contribution of 7 per cent was based on the increased figure.

50. The Commission further noted that the rapid upward movement of WAPA in recent months, resulting in the substantial increase in pensionable remuneration, expressed in dollars, was due mainly to the devaluation of the United States dollar in relation to a number of other currencies, in particular the Swiss franc. As a result of the change in the Swiss franc/dollar relationship, the post adjustment classification in Geneva, which weighed heavily in the calculation of WAPA, had risen to the unprecedented level of class 22-1/5 on 1 March 1978.

51. The Commission observed that when the use of the WAPA index for adjusting the level of pensionable remuneration had been decided in 1960 the movement of the index had reflected almost entirely cost-of-living changes. At a time when the index was influenced predominantly by currency exchange variations, its use for that purpose gave rise to certain problems which were, however, part of the broader context of pensionable remuneration. 12/

52. In that context, the question was whether the level of pensionable remuneration which resulted from the changes observed by the Commission was "too high" and by what standard, and in relation to what it should be judged. In comparison with the conditions offered by the comparator civil service, the study submitted to the Commission showed that the level of pension benefits bore approximately the same relation to net pay in the two services. This comparison however was valid only with respect to United Nations staff members or pensioners stationed or living in the United States. It could not be assumed to be valid in respect of staff members or pensioners stationed or living elsewhere as the elements being compared were affected by circumstances elsewhere in the world. For example, the recent increase of United Nations pensionable remuneration was due mainly to increases in post adjustment in Geneva and other duty stations as a result of the decline of the United States dollar; those circumstances were outside the scope of the "Noblemaire comparison" but nevertheless affected it. As for the relationship of pensionable remuneration - and so of pension benefits - to the living costs of staff members and of pensioners, its basic principle was still to be defined.

53. In that connexion, the Commission had been requested by ACC to include in the agenda of its eighth session the question of pensionable remuneration. In the letter conveying this request, the representative of the Secretary-General had asked ICSC to give the highest priority "to a comprehensive examination of the appropriate level of pensionable remuneration and the way in which it is to be established" and had expressed the hope that "in view of the urgency of this

12/ Note by the Chairman: After the close of the Commission's eighth session, it was learnt that at 1 September 1978 the WAPA index stood at 157.85 which corresponded to an increase of 25.25 per cent since 1 January 1977. By the terms of General Assembly resolution 1561 (XV), a further 10 per cent increase of pensionable remuneration thus became due with effect from 1 January 1979. This further jump in the index, due once again very largely to the further depreciation of the United States dollar in relation to the Swiss franc and some other currencies, brings even more into relief the problems to which the Commission had referred regarding the use of the WAPA index for the adjustment of pensionable remuneration in current circumstances. The Commission will give priority to this aspect of the question in its study of the problem of pensionable remuneration.
matter ... this task might be undertaken by the Commission prior to the opening of
the next session of the General Assembly".

54. In the light of its preliminary consideration of the matter, as recorded
above, the Commission recognized the extreme complexity of the problem, which
involved issues relating to the basic concepts of pensions and of salaries as well
as practical concerns of inflation and currency instability, and realized that
there was consequently no possibility of it completing its study in time to make
recommendations to the General Assembly at its thirty-third session.

55. However, the Commission considered how it could proceed with a view to
completing the study at the earliest possible time. It observed that the problems
relating to pensions brought to its attention by ACC in part involved questions of
pensionable remuneration, which statutorily fell within the Commission's
jurisdiction, and in part involved other aspects of pensions policy, which were
the responsibility of the United Nations Joint Staff Pension Board (UNJSPB). It
recognized therefore that the elaboration of over-all solutions to those problems
for presentation to the General Assembly would require at some stage co-ordination
between the Commission and the UNJSPB, without prejudice to the studies each
should make within the areas of its respective jurisdiction.

56. In view of the urgency of the problem and so as to enable its own preparatory
work to progress during the interval between its eighth and ninth sessions, the
Commission decided to establish a working group composed of its Chairman and of
several members to be designated by him; and that working group would examine the
documentation to be prepared according to a plan to be agreed upon by the
secretaries of UNJSPB, CCAQ and ICSC and in consultation with the secretary of
FICSA. Should that appear desirable, the group might consult with representatives
designated by UNJSPB. The working group would report on the progress of its work
to the Commission at the ninth session, at which time the Commission would decide
on further action, including the possibility of formal co-ordination with UNJSPB,
with a view to having ready for consideration at the Commission's tenth session an
outline of proposals which, if approved, might be submitted to the General Assembly
at its thirty-fourth session in 1979.
CHAPTER IV

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. The comparison to be made in application of the Noblemaire principle

57. At the outset of the review of the United Nations salary system which it carried out in 1975-1976, the International Civil Service Commission confirmed that, for determining the level of remuneration of the internationally-recruited staff of the Professional and higher categories of the international civil service:

"No acceptable alternative can be found to the existing practice of establishing the level of United Nations remuneration by comparison with that of the national civil service whose levels are found to be highest and which otherwise lends itself to significant comparison ('Noblemaire Principle')." 13/

That conclusion was noted by the General Assembly in its resolution 31/141, as was also the Commission's conclusion that there was at that time no evidence which would justify any departure from the use, for the purpose of that comparison, of the Federal Civil Service of the United States of America as the highest paid national civil service. However, as it had stated at that time, the Commission did intend to keep under review the question of which was the highest-paid national civil service and would in due course be carrying out checks to verify whether the use for this purpose of the United States Civil Service continued to be appropriate.

58. In the meantime, the Commission had continued studies aimed at refining the methodology for application of the Noblemaire principle and monitoring the evolution of the relationship between the level of remuneration of the United Nations common system and that of the comparator national civil service. Thus, in 1978 it had completed the study, called for by the General Assembly, of the grades in the two services to be taken as equivalent for the purposes of salary comparison; pursued its search for a methodology permitting the comparison to be made in terms of "total compensation" rather than of net remuneration only and, in that context, made a comparison of pension benefits and of some other major elements of compensation between the two services; revised the comparison of costs of living in Washington and New York, which entered into the calculation of the relationship between the two services; and completed the further study, also called for by the General Assembly, of the possibility that divergencies in that relationship might be brought about through the working of the post adjustment system.

59. The Commission's report on all those aspects of the comparison to be made in the application of the Noblemaire principle are contained in the following sections of the present report.


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1. **Grading equivalencies between the United States Civil Service and the United Nations common system**

60. In section II, paragraph 2, of its resolution 31/141 B of 17 December 1976, the General Assembly requested that the Commission extend its comparison of the grades of the United States Civil Service with those of the United Nations common system to "all levels" (instead of only the three grades at which the Commission had identified grade equivalencies) and report its findings to the General Assembly no later than at the thirty-third session. Accordingly, at its sixth session, the Commission took a number of decisions about the way in which the comprehensive job evaluation to be made for that purpose should be carried out; in particular, it decided:

(a) That a point-factor system of job classification should be the technique to be used;

(b) That the widest possible range of occupational groups should be covered by the study;

(c) That every attempt would be made to compare jobs at all levels from P-1 to D-2, the Commission reserving until it had seen the results the decision as to the grades at which valid equivalents could be established;

(d) That while the representatives of the organizations and of the staff would be consulted on the design of the study, the collection and comparison of data would be carried out by a group of two or three independent consultants working under the supervision of the Chairman and with the assistance of the Commission's secretariat.

61. In its third annual report to the General Assembly, 14/ the Commission noted that it had put in hand the study of grading equivalencies and would report to the Assembly, at its thirty-third session, as requested, on the feasibility of extending the existing grading equivalencies to all levels.

62. Following the decisions taken by the Commission at its sixth session, two independent consultants were appointed. 15/ In the latter part of 1977, the consultants met with the secretariat of ICSC to provide advice on the design of the study. The representatives of the organizations and of the staff were also fully consulted on the methodology to be used. In the light of the consultations held, the secretariat and the consultants revised the methodology of the study, taking into account as far as possible the suggestions made while maintaining the effectiveness of the job classification standards and other instruments to be used as well as the objectivity of the methodology.

**The "point-factor" method**

63. The "point-factor" system of job classification which the Commission decided to use for the comparative study measures the relative value of jobs in a wide variety of occupational groups by awarding points to jobs according to each of the

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15/ Mr. Charles Fivez (Belgium) and Mr. Robert L. Smith (United States of America).
various factors of work which go to make up the jobs. For the purpose of the present study, the point values assigned to each of the factors and the limits of the grade-determining point ranges were adjusted and revised through the process of testing, so that when the finalized instrument was applied to jobs within the United Nations common system, it reflected as far as possible the existing grade levels of those jobs (the purpose of the study being not to verify the appropriateness of existing grades, but to compare the grade structure as it exists to that of the United States Civil Service). The instrument was then applied to jobs in the United States Civil Service falling within the same occupational groups in order to determine what would be the corresponding United Nations grades for those jobs. By comparing the United States Civil Service grade of each job to the United Nations grade derived, conclusions were drawn as to which grades within the two systems could be taken as equivalent.

64. The point-factor method of job evaluation is an analytical or quantitative method. It prescribes an orderly approach to the analysis and evaluation of jobs, requiring as it does the scrutinizing and rating of a number of factors. The scoring of the system provides a ready record of the job analysts' judgement and helps isolate issues in controversial cases. Without constituting a fully scientific scale of measurement that would result in a mechanical approach to evaluating jobs, the system does provide job analysts with a basis for more objective judgements in determining relative job values. The system is particularly well-suited for application to jobs which consist of a varied combination of tasks - a dominant feature of most United Nations jobs. For comparing two services such as the United States Civil Service and the United Nations common system where heterogeneous occupational groups exist, the point-factor method is probably the best method provided that the factors are tailored to the circumstances of both services. The fact that the United States Civil Service in particular has moved from a grade description-benchmark approach to a point-factor system gives added reason for the choice of the point-factor method in the present study. The point-factor method is at present the most common of the job evaluation systems in use.

Choice of factors

65. Drawing job evaluation comparisons between two distinct classification systems presents a number of difficulties. The United States Civil Service system is characterized by a large number of jobs located overwhelmingly within the borders of the country and having more operational or direct-impact job content. While the United Nations common system by comparison has fewer jobs, these are located in many countries and have more advisory or indirect-impact job content, but this impact is on larger numbers of people. Differing organizational structures and supervisory styles further complicate the issue. Therefore the choice of factors had to result in a system which was able to translate the job content found in the two services into a standard scale of measurement without inappropriately weighting the strengths or weaknesses particular to the jobs of either service. In short, the factors chosen had to be balanced so as not to build in a bias in favour of either the common system or the United States Civil Service.

66. The factors had also be to balanced as regards the occupational groups to be studied. Administrative jobs could not be favoured over technical jobs nor could language jobs be given extra weight in relation to jobs with high representation or liaison content. The factors had also to be unbiased as regards the sex, nationality, length of service, age and language of the incumbent of the job, as
well as the duty station in which the job was located. Factors and their level
definitions had to be as independent from one another as possible and had to arrive
at basically the same results when applied by different job analysts trained in
their usage. Finally, the factors and the level definitions needed to be as easily
understandable as possible while still being elaborate enough to reflect the
differences in levels of work existing in grades P-1 through D-2.

67. With those criteria in mind, a review was conducted of the job classification
systems within the United Nations common system, other international organizations,
national governments and to a lesser extent the private sector. Those systems which
had been tested through past experience to meet the criteria outlined above were the
subject of special consideration. Certainly, the system to be chosen could not be
entirely new, lest the study result in a test of the system’s factors on the basis
of the present matching points rather than the reverse. On the other hand, a system
adapted to the specific needs of one organization or national government could not
be considered sufficiently applicable to the jobs in both the entire common system
and the United States Civil Service. Therefore a system was developed, based
primarily on jobs existing in the ILO and in the United States Civil Service and
including some of the features of the ITU, WHO and other United Nations systems.
The resulting factors included those recommended as early as 1956 by the
International Civil Service Advisory Board (ICSAB) 16/ and were representative of
the most common factors in usage today. A detailed presentation of the factors and
their level definitions in matrix form can be found in table A of annex III. A
brief summary of each factor is provided hereinafter.

Factor I - Professional knowledge required

Factor I measures the theoretical knowledge and practical experience of
applying that knowledge required by the job as well as the particular linguistic
knowledge required for the proper execution of the work. It is the only
three-dimensional factor.

Factor II - Difficulty of work

This factor measures the mental demands of the job in terms of the work and the
degree of individual contribution required. The work role, or what the job requires
the incumbent to do, is taken into consideration as are the scope or diversity,
depth and intricacy of the work.

Factor III - Independence of work

The degree to which guidelines apply to the work and the amount of
supervisory participation and control given are measured in this factor in terms of
instructions given, control over work in process and review of finished work.

Factor IV - Work relationship

This factor measures the relationships required of the job both inside and
outside the organization. The skill required in work relationships and the
importance of the contacts to the organization’s programmes are evaluated.

16/ Common Grading Standards: report of the International Civil Service
Advisory Board, ICSAB/IX/5, paras. 11-13.
Factor V - Supervisory responsibility

The supervisory responsibility of the job is measured in terms of the numbers of staff supervised by the incumbent. Both professional and technical and administrative support staff are considered.

Factor VI - Impact of work

This last factor measures the importance of decisions and proposals required in the work on the organization's objectives and the consequences of involuntary errors on such objectives.

Testing of the factors

68. Once the factors had been chosen, the consultants conducted a series of tests to determine the appropriate point values to be assigned to the level definitions of each factor, the weighting of the factors and the grade-determining point ranges. (The point values assigned could not be based upon preconceived notions of the relative worth of each of the factors and their level definitions, but rather had to reflect as far as possible the present grade levels of the jobs within the common system.) The testing was done by initially assigning equal weights to the factors, equal point gradations to each of the level definitions and equal point spreads to the grade ranges. The factors were then applied to a series of common system jobs and the results in terms of confirmations, upgradings and downgradings were recorded. The point values were then adjusted successively until the best possible "fit" was achieved with the existing grade levels. Five such tests were carried out which resulted in the point allocations and weightings reflected in table A of annex III of this report.

Occupational groups included in the study

69. A total of 56 occupational groups was initially selected as being representative of the various fields of work in which common system jobs are found. Upon receiving from the organizations the number of positions existing within each occupational group, 10 occupational groups were eliminated as each represented less than 25 jobs within the common system. Definitions for the remaining occupational groups were developed on the basis of the two occupational dictionaries most relevant to the study, i.e. the International Labour Organisation's International Standard Classification of Occupations (ISCO), which is the only occupational dictionary developed on an international basis, and the Dictionary of Occupational Titles (DOT), which is the occupational dictionary used by the United States Government. The definitions as well as the list of occupational groups were modified through discussions with the representatives of the organizations and of the staff. The 46 occupational groups and subgroups finally retained by the consultants in the study were:

Accountant
Agricultural Scientists
Agronomist
Animal Scientist
Horticulturist
Silviculturist
Soil Conservationist
Soil Scientist
Auditor
Biological Scientists
   Biologist
   Botanist
   Fish Culturist
Chemist
Computer Specialist
Economists
   Econometrician
   Financial Economist
   Industrial Economist
   International Trade Economist
Editor
Education Specialists
   Adult Education Specialist
   Primary and Secondary Education Specialist
   University and Higher Education Specialist
   Vocational Training Specialist
General Technical Co-operation Administrator
Interpreter
Jurist
Librarian
Meteorologist
Nuclear Engineer
Nuclear Physicist
Personnel Management Specialist
Political Scientist
Programme/Budget Analyst
Public Health Nutritionist
Public Health Physician
Public Information Specialist
Purchasing Agent
Representation, Co-ordination and Liaison Specialist
Sanitary Engineer
Sociologist
Statistician
Telecommunications Engineer
Translator

Job descriptions

70. Because of differences in the format of job descriptions used both within the Departments and Agencies of the United States Civil Service and within the organizations of the common system, and given the fact that some organizations in the common system did not have job descriptions for all of their jobs, a standardized job description format had to be developed that not only elicited all the information necessary for the proper evaluation of each of the factors, but also could be applied to the jobs in both services. The format used in the study can be found in table B of annex III to this report.
Collection and analysis of data regarding United Nations common system jobs

71. A total of 518 usable job descriptions covering the 46 occupational groups and subgroups were collected from 15 organizations as shown in table C of annex III. Descriptions were provided of typical jobs (those most indicative of the grade level) excluding those which were known to be over- or undergraded. The groups covered by these jobs, as shown in table D of annex III, represented 74.4 per cent of the total jobs at the headquarters and other established offices of the organizations, not including technical assistance project jobs.

72. As part of the analysis of these jobs, during a one-week period, the consultants individually performed desk audits of 35 jobs at the United Nations and UNDP headquarters in New York and at the headquarters of WHO, ITU and WIPO at Geneva and UNESCO in Paris. The purpose of these audits was to ascertain that the information provided in the job descriptions was complete and accurately reflected the duties and responsibilities assigned to each job and actually carried out by its incumbent. These audits confirmed that the information given in the common system job descriptions was generally complete, correct and sufficient to permit proper evaluation and determination of the grades. The rating for each job under the point-factor system was first made independently by each of the consultants and by the Chief of the Classification Section of the ICSC secretariat. The individual results were then compared and differences resolved.

73. The results of these ratings were plotted on a graph showing the total points for each job, by grade. The point range of each grade was then determined, as explained in paragraph 57 above, in such a manner that the highest number of job gradings was confirmed, which assured that the evaluation system reflected as nearly as possible the present practices of the organizations in the common system. Of the 518 jobs evaluated, 82.63 per cent received ratings that fell within the point range established for their trade, 8.49 per cent had ratings above the range and 8.88 per cent had ratings below it. The point ranges that were established for each grade from P-1 to D-2 were as follows:

<table>
<thead>
<tr>
<th>Grade level</th>
<th>Point ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-1</td>
<td>800-969</td>
</tr>
<tr>
<td>P-2</td>
<td>970-1349</td>
</tr>
<tr>
<td>P-3</td>
<td>1350-1639</td>
</tr>
<tr>
<td>P-4</td>
<td>1640-2039</td>
</tr>
<tr>
<td>P-5</td>
<td>2040-2479</td>
</tr>
<tr>
<td>D-1</td>
<td>2480-2939</td>
</tr>
<tr>
<td>D-2</td>
<td>2940-3449</td>
</tr>
</tbody>
</table>

Collection and analysis of data regarding United States Civil Service jobs

74. At an early stage in the study, contacts had been established with the United States Civil Service Commission, by the Chairman of the Commission, along with the Vice-Chairman and members of the secretariat, to elicit the co-operation of the
United States Government Departments and Agencies in carrying out the study. The secretariat of ICSC, through personal meetings with representatives of the United States Civil Service Commission (who acted in a liaison and co-ordination capacity) and with United States personnel and classification officers, arranged for representative job descriptions to be provided for each of the occupational groups. A total of 342 usable job descriptions, as shown in table E of annex III, were made available by the Departments and Agencies. (It was not deemed necessary to have as large a number of job descriptions from the United States Government as had been necessary from the United Nations common system as the descriptions received from the latter were also used to test and revise the point ranges of the job evaluation instrument.)

75. Owing to the fact that the job descriptions provided by the United States Government had been prepared in conformity with the practices of the various Departments and Agencies, it was necessary to obtain additional information in order to complete standardized job description forms for the United States civil service jobs as had been completed for United Nations common system jobs. The descriptions were completed by the consultants and the ICSC secretariat member through interviews with the classification specialists of the Departments and Agencies concerned. The Commission wishes to record here its appreciation for the full co-operation provided by the representatives of the United States Civil Service Commission and the Departments and Agencies concerned in supplying complete and detailed information on the United States Government jobs.

76. The process of rating the United States Government jobs, using the same point-factor system that had been used for the United Nations common system jobs, was carried out at ICSC headquarters over a period of four weeks. It should be noted that a limited number of job descriptions received from the United States Department of State had been graded according to the Foreign Service grading system while some medical officer positions, from the Department of Health, Education and Welfare, had been graded under a commissioned-officer system. In cases where these job descriptions were used, the United States Government General Schedule (GS) grade equivalents were determined on the basis of information provided by the job classification or personnel officer of the Departments concerned.

77. Point ranges were then established for each GS grade in the same manner as had been done for the grades P-1 to D-2, as described in paragraph 68 above. Of the 342 jobs evaluated, 80.7 per cent received ratings that fell within the point range established for their grade, 9.65 per cent had ratings above the range and 9.65 per cent had ratings below it. The point ranges established for each grade from GS-5 to GS-18 were as follows:
A comparison of the grade ranges established for the United Nations common system jobs and the United States Government jobs is presented graphically in table F of Annex III.

Determination of equivalencies

78. Having completed the rating of all the United Nations common system jobs and all the United States Civil Service jobs surveyed and having determined the point ranges corresponding to each of the grades in the two systems, it was then possible to combine the two sets of data to determine the grade matches. The consultants did this by drawing the common system grade ranges on a chart containing a plotting of all the United States jobs within the United States grade ranges. The numbers of United States jobs falling within each of the United Nations common system grade ranges were as follows:

<table>
<thead>
<tr>
<th>United Nations Common system grade level</th>
<th>United States grade level</th>
<th>Number of United States jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below P-1</td>
<td>GS-9</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>GS-7</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>GS-5</td>
<td>4</td>
</tr>
<tr>
<td>P-1</td>
<td>GS-9</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>GS-11</td>
<td>2</td>
</tr>
<tr>
<td>P-2</td>
<td>GS-12</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>GS-11</td>
<td>28</td>
</tr>
</tbody>
</table>
United Nations Common system grade level | United States grade level | Number of United States Jobs
--- | --- | ---
P-3 | GS-12 | 12
| GS-13 | 23

P-4 | GS-13 | 15
| GS-14 | 37

P-5 | GS-14 | 1
| GS-15 | 52

D-1 | GS-16 | 23
| GS-17 | 1

D-2 | GS-17 | 19
| GS-18 | 6

Above D-2 | GS-18 | 4

79. In view of the differences in the numbers of common system jobs in the various occupational groups (as shown in table D of annex III), it was concluded that each case indicated in the above table should be weighted on the basis of the importance of the occupational group of which that case was a member, in relation to the total population of the common system.

80. The weight used for each occupational group was the square root of the total number of United Nations common system jobs within that group. The square-root method of weighting was chosen as it gave due regard to the larger occupational groups without eliminating the significance of the smaller groups. The weights thus attained ranged from 6.6 for Public Health Nutritionists to 33.6 for Economists. The results of this exercise are expressed in the following table to show the percentages of United States jobs for each United States grade falling into each of the common system grade ranges.
<table>
<thead>
<tr>
<th>United Nations Common system grade level</th>
<th>United States grade level</th>
<th>Percentage of jobs (weighted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below P-1</td>
<td></td>
<td>25.2</td>
</tr>
<tr>
<td>P-1</td>
<td>GS-9</td>
<td>74.8</td>
</tr>
<tr>
<td>P-2</td>
<td>GS-11</td>
<td>95.8</td>
</tr>
<tr>
<td></td>
<td>GS-12</td>
<td>60.1</td>
</tr>
<tr>
<td></td>
<td>GS-13</td>
<td>50.1</td>
</tr>
<tr>
<td></td>
<td>GS-14</td>
<td>49.9</td>
</tr>
<tr>
<td>P-3</td>
<td>GS-15</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>GS-16</td>
<td>100.0</td>
</tr>
<tr>
<td>D-1</td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td>D-2</td>
<td>GS-17</td>
<td>96.0</td>
</tr>
<tr>
<td>Above D-2</td>
<td>GS-18</td>
<td>50.4</td>
</tr>
</tbody>
</table>

81. After eliminating marginal variations of 4 or 5 per cent, the consultants determined the following equivalencies:

- P-1 and GS-9
- P-2 and (grade GS-11 with a weight of 100) (grade GS-12 with a weight of 60)
- P-3 and (grade GS-12 with a weight of 40) (grade GS-13 with a weight of 50)
As regards grade D-2, the consultants indicated that a straight application of the results would have led to the following grade equivalent:

\[
\begin{align*}
\text{D-2 and (grade GS-17 with a weight of 100)} \\
\text{D-2 and (grade GS-18 with a weight of 50)}
\end{align*}
\]

However, they recorded their reservation as to this result. They noted that the point-factor system had been designed to cover the range of grades P-1 to D-2, and might not be accurate in distinguishing between grade D-2 and higher level common system grades as no such higher level jobs were included in the study. Thus, while it was possible to determine the highest point level of the D-2 jobs evaluated, it was not possible to determine the lowest point level of jobs graded higher than D-2. The consultants maintained that this was a necessary check in establishing the upper limit of the D-2 point range in the evaluation instrument. This being said, when the instrument was applied, the GS-17 jobs received point ratings that fell clearly within the lower reaches of the D-2 point range, while the GS-18 jobs all fell within the upper quartile of that range or above that range. Thus, while grade GS-17 jobs were found to be clearly equivalent in level to D-2, some doubt had to be expressed as to whether significant weight should be given to the grade GS-18 jobs that were found equivalent to D-2. This was especially so since only 10 GS-18 jobs were included in the total sample. The consultants proposed therefore that the equivalent for D-2 should be taken to be GS-17.

Consideration of the consultants' recommendations by the Commission

The report of the consultants, which included the information and recommendations indicated in the above paragraphs, was considered by the Commission at its eighth session. One of the consultants, Mr. Fizez, attended the session to submit the report and answer questions.

In commenting on the report, the representative of the organizations noted with satisfaction that the ICSC secretariat had consulted the CCAQ Sub-Committee on Job Classification and had, to a large extent, taken into consideration the revisions to the methodology which had been proposed by the Sub-Committee. The organizations felt that, although they had not been involved in a detailed analysis of the data, their general impression was that the study had been conducted in a very thorough and objective manner. They were in agreement with its over-all results but questioned whether the degree of precision at which the equivalents had been proposed was necessary or even possible as job classification was not an exact science.

The representative of the Federation of International Civil Servants Associations (FICSA) congratulated the consultants and the secretariat on what in their view was a most technical and professional study. He recalled that FICSA had also participated in the development of the methodology. The staff felt that the
job evaluation system used was sound and the most suitable for the purposes of
which it had been developed. It could therefore accept the over-all results of the
study except for the consultants' recommendation as regards the appropriate
equivalency for the D-2 grade. Here the staff had serious doubts that a direct
equivalent to GS-17 was appropriate. The raw data did indicate a proportionate
equivalency of D-2 to two-thirds GS-17 and one-third GS-18, and, in the case of
grade P-4, where the raw data supported a similar approach, the consultants had
indeed proposed a proportionate equivalency. The representative of the staff
therefore contended that the appropriate equivalent for grade D-2 was that indicated
by the raw data, namely, GS-17 with a weight of 100 and GS-18 with a weight of 50.

86. The consultant agreed with the representative of the organizations that job
classification was not an exact science and explained that it was for this reason
that a rounding off of the raw results to the order of 5 per cent had been deemed
acceptable by the team when arriving at its final conclusions. However, he
maintained that the degree of precision indicated in the proposed equivalencies was
perfectly appropriate given the fact that as many as 860 jobs had been included in
the study.

87. Turning to the point raised by the representative of FICSA, the consultant
explained that the raw results for the grades P-4 and D-2 did not reflect similar
situations, requiring like treatment. The circumstances differed in each case and
therefore required separate approaches. Whereas the lower and upper limits of the
P-4 point range had been checked by reference to the upper limit of the P-3 range
and the lower limit of the P-5 range, no such check could be made on the upper limit
of the D-2 range. Furthermore, in the case of the P-4 grade, 52 United States Civil
Service jobs had been used to determine the equivalent against less than half that
number in the case of the D-2 grade.

Conclusions of the Commission

88. The Commission concluded that the study had been carried out in an objective
and thorough manner. It had been based on a job evaluation approach supported by
a sound and acceptable methodology. The evaluation instrument had been developed
taking into consideration the special characteristics of the United Nations common
system as well as those of the United States Civil Service, and had permitted the
degree of precision which was required for a study as such notwithstanding the
fact, to which one member drew attention, that some organizations did not yet have
complete job classification systems in operation. The occupational groups covered
in the study had been increased from the six used in the last study (1976) to
46 groups representative of the work of the organizations of the common system.
In short, the methodology used in the study represented great progress over previous
efforts. For those reasons, the Commission gave approval to the consultants'
recommendations as regards the equivalents for grades P-1 to D-1. Reduced to a
common basis of 100, these equivalents were:
P-1 = GS-9 with a weight of 100
P-2 = (GS-11 with a weight of 62) 
    (and) 
    (GS-12 with a weight of 38)
P-3 = (GS-12 with a weight of 45) 
    (and) 
    (GS-13 with a weight of 55)
P-4 = (GS-13 with a weight of 33) 
    (and) 
    (GS-14 with a weight of 67)
P-5 = GS-15 with a weight of 100
and D-1 = GS-16 with a weight of 100

89. As regards the appropriate equivalent for the D-2 grade, the Commission expressed reservations. In its opinion, the technical reasons leading the consultants to doubt the raw results and recommend a modified equivalent for the D-2 grade were in themselves sufficient grounds for concluding that no equivalent for this level could be established with certainty at this time. While recognizing the difficulties inherent in establishing equivalents for the D-2 grade, the Commission noted that the present study had shown considerable progress in developing a methodology for comparison at that level. With some refinements, the same methodology could be used to establish an appropriate equivalency for the D-2 grade. The Commission concluded, therefore, that a further study aimed at establishing the equivalency for grade D-2 should be undertaken in the future.

90. The Commission then proceeded to consider whether it had satisfied the request of the General Assembly that the grading comparison be carried out "at all levels" (as first referred to in paragraph 60 above). It recalled the reasons for which it had decided not to include the assistant secretary-general and under-secretary-general and equivalent levels in the present study. While similar jobs at the D-2 and lower levels could be found in many of the organizations of the United Nations common system, jobs at this level were usually unique, which made comparisons difficult within the common system and even more difficult with a comparator civil service. The differences in functions between the international civil service and a national civil service increased at the higher grades but became most marked at those two levels. While the D-2 grade was in effect the top of the career service and a level at which comparison on the basis of job evaluation techniques could still be made, grades above that level were influenced by political considerations and by the standing of the individual to be appointed. Many of the persons appointed at those levels came from the higher levels of their national civil service and served in the international organization on a fixed-term basis for only a few years. When evaluating the remuneration offered them, they thus tended to make comparisons with senior civil servants of their own country, posted in the same duty station, rather than with the United States Civil Service. In any case, the salaries established for those levels could not be dissociated from that of the Secretary-General of the United Nations.
91. One member of the Commission contended that at least at the assistant secretary-general level positions in the common system could be compared to similar positions in the United States Government. Most members, however, considered that salaries at that level could not be established by the type of direct comparison made for other grades in application of the Noblemaire principle, but that account must also be taken of all the other special factors relevant at the very highest levels. It was for these reasons that no attempt had been made to establish precise equivalencies between the assistant secretary-general and under-secretary-general grades and grades of the United States Civil Service.

Recommendation

§2. The Commission accordingly recommends that the General Assembly approve the use of the following grade equivalencies for the purpose of salary comparison between the United Nations common system and the United States Civil Service:

\[
\begin{align*}
P-1 &= \text{GS-9 with a weight of 100} \\
P-2 &= (\text{GS-11 with a weight of 62}) \\
&\phantom{=} (\text{GS-12 with a weight of 38}) \\
P-3 &= (\text{GS-12 with a weight of 45}) \\
&\phantom{=} (\text{GS-13 with a weight of 55}) \\
P-4 &= (\text{GS-13 with a weight of 33}) \\
&\phantom{=} (\text{GS-14 with a weight of 67}) \\
P-5 &= \text{GS-15 with a weight of 100} \\
\text{and D-1} &= \text{GS-16 with a weight of 100}
\end{align*}
\]
2. Methodology for evaluating total compensation, including a comparison of United Nations pension benefits with those of the United States Civil Service

Origin of the study

93. In its third annual report, the Commission described steps it had taken to set up a combined study of: (a) the methodology for evaluating total compensation and (b) the comparative value of United Nations pension benefits and those of the United States Civil Service.

94. The concept of "total compensation" arose from the recognition that in most employment, national or international, public or private, the cash salary paid to the employee constitutes only a fraction of all the financial benefits which he receives, by virtue of his employment. Pension entitlements, health insurance and other forms of social security, various bonuses and indemnities, represent for the employer an increasingly large proportion of total staff costs and for the employee an increasingly important consideration in his judgement of the attractiveness of the conditions offered by an employer. Consequently, attempts have been made for some years and in many quarters to work out an accurate method of measuring all these different elements and assigning them relative weights in an evaluation of "total compensation", which would be of particular value in comparing the remuneration offered by different employers. The primary purpose of the study undertaken by the Commission was to see whether this concept could be applied to the comparison made in application of the Noblemaire principle between the remuneration of the United Nations common system and that of the comparator service, the United States Civil Service and whether the basis of that comparison, hitherto limited to net pay alone, could be broadened to encompass total compensation. Subsidiarily, if the methodology needed to do this could be worked out, it might also be used in comparing several national civil services to determine which was the highest paid, as well perhaps as in determining the level of General Service salaries in relation to best prevailing local conditions.

95. The comparative study of the value of United Nations and United States pension benefits which the Commission had previously decided to make would constitute an important step towards total compensation comparison, pension entitlements being easily the second largest element of compensation after salary. The Commission had recognized that in comparing the pension provisions of the two systems it was meaningless to look only at the respective levels of pensionable remuneration, since equal amounts of pensionable remuneration could yield vastly different pensions if the rates of benefits were not the same. Nevertheless, a comparison of pension benefits between the two systems might lead the Commission to conclusions about the level of pensionable remuneration and about the way in which it should be determined.

96. Having decided accordingly to link the two studies together the Commission sought the assistance of a firm of consultants specialized in total benefit comparisons and which had already made such comparisons between the United States Civil Service and other international organizations. The consultants were commissioned, on the one hand, to make the comparison of pension benefits between

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the two systems, which work was put in hand once the terms had been agreed upon in consultation with UNJSPB, and, on the other hand, to propose for the Commission's consideration a methodology for extending the comparison to all other benefits. After the Commission had received the consultants' proposals and heard the views of the representatives of the executive heads and staff, as well as those of UNJSPB, it took, at its sixth session, decisions about the scope of the study and the way it should be carried out. It recognized that, given the different characteristics of the two services being compared, it would be possible at the first stage to take into account only those more readily identifiable elements of compensation for which equivalents could be found in both services; for this reason, expatriation benefits would have to be excluded from the first trial, since no corresponding entitlement existed in a home civil service. Secondly, considering that no clear doctrine regarding total compensation comparisons had as yet been established anywhere, the study would be regarded as an experimental approach to a possible methodology, the Commission not being committed to that particular methodology, still less to any conclusions which might result from it.

Methodology of the experimental study

97. At its seventh session, the Commission examined the study prepared by the consultants (Hewitt Associates, of Lincolnshire, Illinois), recalling that its concern was with the methodology, to test whether the "group benefit" approach developed by Hewitt Associates was a valid method for the purposes of the common system which could ultimately be used to provide an accurate comparative measure of total compensation, including those elements which were not so far included. The "group benefit" approach consisted in taking the United Nations "population" (i.e., the staff of the Professional and higher categories of the common system at a given date) with its existing demographic characteristics (distribution by sex, age, family status, income level, length of service, etc.), calculating the aggregate value to this group of the conditions of service provided to them by the United Nations system, and then comparing this value with that which they, as a group, would receive if, instead, the conditions of service of the United States Civil Service were applied to them.

98. The Chairman of CCAQ stated that the organizations found the study useful and instructive in that it shed light on the methodological problem involved in total compensation comparison and in ascribing relative values to different benefits in the two services. It was a worthwhile attempt to translate into facts and figures the value of some of those benefits. CCAQ nevertheless did not find the methodology wholly satisfying. The group benefit method quantified the relative value of certain benefits to the staff as a group, but it did not provide a reliable tool with which to measure the competitive position of the organizations as employers as it would be seen by potential employees. Secondly, the process by which the relative value of the benefits was arrived at was not revealed in the study and so the results could only be taken on trust. That, in CCAQ's view, was not acceptable; if all concerned were to be convinced that the administration of the salary system was consistent with the approved principle, cost no more than was necessary and was adequate to recruit and retain qualified personnel, the link between data and conclusions must be visible and verifiable. Since that was not so, CCAQ found it difficult to make an informed judgement on the validity of the findings.

99. CCAQ understood the purpose of the study to be to determine whether it would be possible to broaden the traditional method of applying the Noblemaire principle
by including in the comparison between the two services not only basic remuneration but also certain non-salary elements common to them. The findings of the study confirmed that the over-all value of the conditions of service in the United Nations system bore very much the same relationship to that of the United States Civil Service as existed between the levels of basic remuneration of the two services. Thus the study showed that the United Nations conditions of service were reasonably in line with those of the comparator service, in terms of what the employee received at the end of the month as basic emoluments, what kind of protection he got when he was unable to work because of illness and how he was treated when he lost his job, became totally disabled or retired - the tests which a candidate would normally apply in comparing potential employers. It was not intended, however, to indicate that particular benefits in the one service should equalize or duplicate those in the other, nor should it be used for that purpose. The employee population, recruitment needs and personnel policies of an international organization were necessarily different from those of a national civil service; certain conditions of service then had also to be different, provided the over-all package remained comparable in value. FICSA shared the doubts and reservations expressed by CCAQ.

Conclusions of the Commission

100. The Commission found that the study set out clearly the data being used: the conditions of service and benefits in the two services, the demographic characteristics of the United Nations population, the actuarial assumptions, etc. The results obtained by the trial comparison were also clearly shown. However, as had been mentioned, the report did not reveal the details of the methodology used to get from the data to the results, which the consultants regarded as their trade secret. Consequently the results could not be verified by the Commission or by Governments; they would have to be taken on trust. Furthermore, if the Commission adopted this method of evaluating total compensation and made total compensation the basis of comparison in application of the Noblemaire principle - which the Commission was pledged to keep under continual review - it would have no alternative but to employ the same consultants to make the comparison each time it was needed and certainly not less than once a year. That would place the Commission and indeed the whole common system in a situation of total dependency. The Commission could not accept that situation and so concluded that the Hewitt Associates' trade-marked "group benefit" approach was not suitable for use by the United Nations common system.

Alternative method

101. The Commission then turned its attention to seeking some other method which could be applied and verified without outside help. The "group benefit" method involved weighting the value of different benefits in accordance with the actuarial probability of different events occurring within the population of the organizations (e.g., recruitment, separation or death at different ages, disability, different family situations). It was the impossibility of verifying the way in which those actuarial predictions were made that rendered the method unsuitable for use by the United Nations, in the Commission's view. If, however, to avoid that difficulty, one sought to eliminate the need for any prediction of the actuarial likelihood that given events would occur, the most that could be done would be to compare, one by one, the benefits available to a United States civil servant and to a United Nations staff member in each of a number of identical
sets of circumstances. Obviously, the usefulness of such spot comparisons in making
an over-all comparison of the benefits offered by the two systems was strictly
limited; the approach could not conveniently be expanded to cover a greater number
of variables, for example, integrating health benefits with pension benefits, and
still less these with other conditions of service such as leave entitlements or
hours of work. Nevertheless, the Commission had prepared a series of such
comparisons, which are reproduced in annex IV to this report; while they obviously
did not permit a comparison of total compensation, they did facilitate ready
comparison of the relative value in the two services of the particular benefits
in the particular circumstances which they covered.

Experience of other employers

102. The Commission also inquired into the experience of other employers in
measuring total compensation. In particular it noted that the United States Civil
Service Commission (USCSC) had since 1974 been studying "the feasibility and
desirability of developing a total compensation comparability (TCC) system for
use by the Federal Government" in establishing the level of Federal pay in relation
to that of the private sector. A recent report of the USCSC had described the
findings of these studies as follows:

"Several recent studies have concluded that (1) Federal employee benefits
represent a significant, and increasing, percentage of total employee
compensation, and (2) comparability in pay without reference to employee
benefits does not insure equitable compensation between Federal employees
and those in the non-Federal sector. These studies have recommended that
the comparability principle be broadened to include benefits as well as pay."

The President of the United States Panel on Federal Compensation had endorsed the
principle of comparability of both pay and benefits, had identified eight major
pay and benefit elements to be included in the comparison 13/ and had expressed a
preference for comparison made in terms of benefit to the employee rather than of
costs to the employer. Work to develop a suitable method was proceeding and was
expected to be completed by October 1979, after which some time would be required
for the testing and refining of the method. The "level-of-benefits" method
adopted was the same as that used by Hewitt Associates in the study for ICSC.
The report of the USCSC quoted above commented that:

"one problem with the level-of-benefits approach is that sophisticated cost
models are required for the evaluation of /different benefit/ plans.
Actuarial and economic assumptions must be made which may considerably affect
the results. These models, however, have been constructed successfully by
the State of California, Canada and several private consultants. The Civil
Service Commission is working on /such/ models and expects to overcome their
associated problems."

103. This information about the progress made by the United States Civil Service
Commission confirmed that, while the concept of total compensation might be
attractive in its apparent simplicity, the methodology required for its application
was highly complex in design and entailed a considerable amount of data collection and computation. Nevertheless, there was reason to hope that within two to three years it would be possible for ICSC to draw on the experience gained by the United States Civil Service Commission. It should be recognized, however, that even when a total compensation comparability method was in place for comparing Federal and private sector compensation in the United States, it was unlikely that it could be used for comparisons between the United States Civil Service and the United Nations common system without considerable adaptation, since the differences in the patterns of employment and of benefits were probably greater between the United Nations and the United States Civil Service than between the public and the private sectors in the same country.

104. The Commission intends to follow closely the work being done by the United States Civil Service Commission and expresses its appreciation for the generous co-operation already offered by the Commission as well as by the United States Government. It will also seek information about similar work being done elsewhere and will submit a further report to the General Assembly in due course.

Provisional comparison of pension and other benefits

105. In the meanwhile, until such time as a definitive method for comparing United States and United Nations total compensation has been evolved and tested, the Commission considers that the findings of the trial evaluation made by Hewitt Associates can provide certain indications, in particular as to the relative levels in the two services of pension benefits and of the other benefits surveyed, taken severally. The reservations expressed above about the suitability of the Hewitt "group benefit" method as an instrument for regular use by the Commission related to the fact that because of the complexity of the actuarial techniques involved it could not be applied without resorting to the expertise of its inventors and that it consequently could not be verified; there is no reason a priori to doubt the validity of the findings produced by this method, within the clearly-defined limits of the trial exercise, particularly in so far as they concern specific benefits: United Nations pension benefits compared to United States pension benefits, United Nations health insurance compared to United States health insurance, etc. It is in the relative weighting of these different benefits, rather than in the comparative evaluation of each, that the Hewitt method raises difficulties.

Comparison of pension benefits

106. The Hewitt study had found that the United Nations Joint Staff Pension Fund provided benefits which were 1.6 per cent better than those provided by the United States Civil Service Retirement System, estimated by the group value method and relating net benefit values to net pay (i.e., for United Nations staff, including post adjustment at New York rate). If the employee's own contributions (7 per cent of pensionable remuneration in each case) were deducted, the employer-provided value was 4.8 per cent higher at the United Nations; that was because pensionable remuneration on which the employee's contribution was based was approximately equal in the two systems, whereas net pay, in relation to which the comparison was made, was higher for the United Nations by the extent of the recognized margin.

107. The areas in which United Nations pensions were found to be more advantageous were as follows:
(a) The basic pension, because the annual rate of accrual for the United Nations was 2 per cent up to 30 years (and 1 per cent for the 31st and 32nd years) whereas for the United States it was 1.5 per cent for the first five years, 1.75 per cent for the next five years and 2 per cent thereafter;

(b) Post-retirement survivor's benefits, in that the United States plan provided for the surviving spouse of a pensioner to receive a pension only if the pensioner had accepted a reduction of his own pension, while the United Nations plan provided the survivor's benefit without reduction;

(c) Vested benefits, i.e., for those who left before they were eligible for a retirement pension: the United Nations plan provided for indexing of the vested benefit and for a spouse's benefit during the deferral period.

108. On the other hand, Hewitt Associates observed that about 25 per cent of all employees who retired from the United States Civil Service received a disability benefit, compared with only 5 per cent in the United Nations common system. 19/ On the one hand, the definition of disability was much less strict in the United States Civil Service than in the United Nations; on the other hand, the Civil Service population included large numbers of law enforcement and other operational personnel among whom the risk of disability was higher. In any case, most civil servants who left before being normally eligible for a pension received immediately a disability benefit which was indexed and which was usually larger than the accrued benefit. In the United Nations, most of those employees would not receive a disability benefit and would simply be entitled to a deferred benefit at age 60.

109. The study explained that the marginal superiority of United Nations pensions is accounted for by the better provision in the United Nations scheme for those who served for less than a full career (for example, through the higher rate of accrual during the early years of service) while for those who served for a full career, the United States pension scheme was more generous. This was illustrated by the tables in annex IV. to this report, which showed that United States benefits, expressed as a percentage of final net income, overtaken those of the United Nations between 25 and 30 years of service while in absolute terms they took the lead at a point between 30 and 35 years of service; while such lengths of service were still uncommon in the United Nations system, they would be found more frequently as the system grew older and were, in any case, common in the United States Civil Service where the average age of entry was lower, there was no mandatory age of retirement and both previous national service and unused sick leave entitlements could be added on to normal civil service pensionable service.

110. The Commission believed that, given the different patterns of service in the two systems, it was normal and proper that the United Nations pension system should provide better protection for those who served for less than a full career. In the United States Civil Service (as in most other national civil services),

19/ According to the "Annual Report of Financial and Statistical Data for Fiscal Year ended 30 June, 1976", published by the United States Civil Service Commission, of 1,038,337 former employees receiving pensions at 30 June 1976, 279,326 or 27 per cent were receiving disability benefits. Of 79,469 who retired in the preceding 12-month period, the corresponding figure was 31,170 or 39 per cent.
employment for a full career was the normal pattern and the pension scheme was designed to encourage and reward long service (e.g. through the progressive rate of accumulation and the high limit on maximum accumulation, namely, 80 per cent as compared to 62 per cent in the United Nations scheme). Moreover, it could safely be assumed that those relatively few employees who did join the service in mid-career or leave it after a few years would have, or would be able to obtain, pension coverage through their previous or subsequent employment.

The situation in the United Nations system was very different: both by design and by necessity, staff who served for less than a full career were the majority. Moreover, it could not be assumed (and indeed was not the case) that all of them would be entitled to social security benefits or a pension from elsewhere. Some might have entitlement to a pension in their own country and might be able to maintain their entitlement while in the international civil service, but many (probably most) lost any such entitlement after they had served for a time outside their own country. The United Nations system thus had to ensure that adequate provision was made for the surviving dependants of its employees should they die in service or for their pension upon retirement after less than a full career.

In the Commission's opinion, the slight superiority of the United Nations pension scheme thus reflected properly a difference in the staffing needs, patterns and policies of the two systems. That such differences should be taken into account in making decisions about the United Nations pension scheme had always been recognized. To compare United Nations pension benefits with those of the United States Civil Service as part of a total package of compensation in the "Noblemaire comparison" did not mean that each particular benefit must necessarily be aligned on that of the comparator service, regardless of differences in the characteristics of the two services. In fact, the General Assembly, in taking decisions about the United Nations pension scheme, had never set out to model it on that of the United States. The successive pension review bodies whose advice the Assembly had taken as the basis for its decisions had affirmed that the United Nations pension scheme should be comparable to those of the major headquarters countries.

The statistics of the United States Civil Service Commission, show that of all civil servants who retired during the 12 months ending at 30 June 1976, with the exception of those who retired for reasons of disability, the average age on retirement was 60.5 years and the average length of service 27.3 years. For a group of staff members of the common system of the same age, the average length of service would be less than 14 years.

For example, the "Survey of Income of Civil Service Annuitants", compiled by the United States Civil Service Commission in 1973, showed that 43 per cent of civil service pensioners were also receiving social security benefits (U.S. Government Printing Office, 1973, No. 99.99b, p. 7).

Cf. for example, report of the 1958 Pension Review Group, (A/4427, para.13): "We took the view that the provisions of the United Nations pension scheme must be framed in the light of the best 'outside' practice, making due allowance for any inevitable differences in circumstances between international and national administrations." See also ibid., para. 66; also the statement in the report of the ACABQ (A/8860 of 25 October 1972) endorsed by the General Assembly in its resolution 2944 (XXVII) "that the Fund should continue to provide benefits comparable to those available under the best national civil service schemes."
United Nations system was to be able to attract qualified staff from many countries. National pension schemes in some countries, particularly the European headquarters countries, tended to be better than that of the United States, in the eyes of a potential recruit, even a satisfactory level of remuneration during service might not compensate for pension provisions which were markedly less favourable than those he would be entitled to if he remained in the service of his own Government.

112. The Commission also noted that the way in which the study had been made (i.e., taking the United Nations population and measuring the effect of applying to it the United States pattern of benefits) had a very significant effect on the results; the figures arrived at in that way were heavily influenced by the high proportion of short-career staff in the United Nations, for whom pension benefits would be less good in the United States scheme. If the comparison had been made the other way round, taking the United States Civil Service population and applying it to United Nations benefits, the conclusion would have been the opposite, i.e., that United States benefits were better, since then the majority of the population would have been those who retired after a full career, for whom United States benefits were better than those of the United Nations.

113. The Commission's conclusion was that United Nations pension benefits bore substantially the same value in relation to United Nations net pay as United States Civil Service pension benefits did to United States net pay; in other words, if pension benefits were included in the comparison of benefits in addition to net salary, the result would not be significantly different than if net salary alone was compared. For the purposes of the "Noblesmaire comparison", therefore, the inclusion of pension benefits was not vital. It must be pointed out, however, that the conclusion that United States and United Nations pension benefits were for all intents and purposes equal related only to the circumstances in which the "Noblesmaire comparison" between a United States civil servant working and retiring in his own country and a United Nations official posted in New York and who, for the purposes of the comparison, was assumed to retire also in the United States, it provided no answer to the quite distinct question of whether a United Nations pension, the level of which was found to be comparable to that of the United States Civil Service, would also be found to be appropriate in every country other than the United States where a staff member might take his retirement.

Health care

114. In the other major area compared, that of health care, the Hewitt study found "the total health care benefits of the United Nations to be about 17 per cent higher than those of the United States Civil Service". 23/ However, this was stated to be due entirely to the existence of a dental plan at the United Nations; no dental costs were reimbursed to United States civil servants. If the dental benefits were excluded, the values for medical benefits were found to be 1 or 2 per cent higher.

23/ Comparison was made between a weighted average of the four medical benefit plans most used by United States Civil Service employees and the "Blue Cross/Aetna/Major Medical" plan used by most United Nations staff members in New York. Again, of necessity the comparison relates to New York; other organizations of the common system have different medical benefits schemes.
for United States civil servants. Furthermore, it was noted that the contributions towards medical insurance required of United Nations staff members were substantially higher than those of the United States Civil Service (almost three times as much at a salary level of $25,000). The report added that "As a result of the size of those contributions, the employer-paid value (i.e. that part of the benefits provided at the employer's expense, as distinct from the part which the employee pays for through his contributions) is substantially higher at the United States Civil Service even when the dental plan is included in the comparison. The employer-provided health care values at the United Nations are about 46.8 per cent of the United States Civil Service".

**Over-all comparison**

Combining the results found in comparing pension benefits and health care benefits, the Hewitt study produced the following over-all values for United Nations benefits (United States Civil Service benefits = 100):

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Value net of employee contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pension benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retirement pensions</td>
<td>101.9</td>
<td>105.3</td>
</tr>
<tr>
<td>- Disability pensions a/</td>
<td>117.6</td>
<td>117.6</td>
</tr>
<tr>
<td>- Pre-retirement survivor's pensions</td>
<td>89.0</td>
<td>89.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>101.6</td>
<td>104.8</td>
</tr>
<tr>
<td><strong>Other benefits:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Health care (incl. dental care)</td>
<td>116.8</td>
<td>46.8</td>
</tr>
<tr>
<td>- Death benefits b/</td>
<td>b/</td>
<td>b/</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>124.4</td>
<td>57.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>103.5</td>
<td>101.3</td>
</tr>
</tbody>
</table>

\ a/ United Nations definition of disability. The balance of United States Civil Service disability pensions are included under retirement pensions.

\ b/ The United States Civil Service does not have any provision corresponding to the United Nations death grant so no ratio was computed by Hewitt Associates. It is stated that the United Nations death benefit has been included in computing the totals; on the other hand, no account was taken of the one-third share of the cost of compulsory life insurance paid by the United States Civil Service for all its employees. If this were included the margin of United Nations benefits over those of the United States would be reduced and possibly eliminated altogether.
116. Combining this benefit comparison with the comparison of net remuneration as made by the Commission, a ratio of 119.5 : 100 was obtained, compared with the ratio of net remuneration which was 119.4 at the same date (before taking into account the Washington/New York cost of living differential).

117. Thus, the Commission concluded that the particular benefits of the United Nations which had been analysed, compared in this way, bore approximately the same relation to United Nations net pay as the corresponding United States Civil Service benefits did to United States net pay. The benefits analysed were, as the Commission pointed out, far from being all those which should ultimately be included in a complete comparison of total compensation; the comparison could also be made in such a way that differences in hours of work and in annual and sick leave entitlements were reflected in the result. It was emphasized by many members of the Commission that the Noblemen principle called for a comparison of the general level of remunerations and conditions of service but had never been taken to require that each and every element of the conditions of service of the international organizations should be a carbon copy of the corresponding conditions in the comparator national civil service. That would be an impossible objective, given the intrinsic differences between a national and an international service; it would, moreover, imply that all the conditions of service of the international organizations be changed if a different national civil service were found to be the highest-paid and became the comparator. As it had already stated, the Commission would actively continue its efforts to develop an appropriate methodology for making over-all comparisons of total compensation. In the meantime, however, on the evidence of the present study, the Commission believed that a comparison based on net remuneration did provide a reasonably reliable interim basis for comparing the effective levels of remuneration of the two services.

3. Evolution of the margin between the remuneration of the United Nations common system and that of the comparator national civil service

Evolution of the margin

118. The Commission has continued, in execution of the mandate entrusted to it by the General Assembly, to keep the relationship between the levels of remuneration of the comparator civil service, at present that of the United States of America, and the United Nations common system under continual review and has examined a report on the evolution of this relationship at each of its sessions. As explained in the previous section, pending the time at which it might be possible to make it in terms of total compensation, the comparison continues to be made on the basis previously approved by the General Assembly, namely, the net remuneration of officials of the two services having a dependent spouse but no children, and between the headquarters of the two systems, i.e. Washington, D.C., for the United States Civil Service, and New York for the United Nations common system, with due allowance for the difference in cost of
living between the two cities. The margin is expressed as the average of the ratios found at the several matching grades, averaged over a 12-month period from 1 October of each year to 30 September of the following year.

119. The average margin for the 12-month period from 1 October 1977 to 30 September 1978 was as follows:

<table>
<thead>
<tr>
<th>Grades</th>
<th>United Nations New York a/ (United States dollars)</th>
<th>United States Washington</th>
<th>Ratio (US/Wash. = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS 12/1) Avg. = P-3/1</td>
<td>22,998</td>
<td>19,232</td>
<td>119.6</td>
</tr>
<tr>
<td>GS 13/1)</td>
<td>27,482</td>
<td>23,826</td>
<td>115.3</td>
</tr>
<tr>
<td>GS 14/1 = P-4/1</td>
<td>33,144</td>
<td>27,282</td>
<td>121.5</td>
</tr>
</tbody>
</table>

Average ratio for three matching grades: 118.8
Average ratio, adjusted for cost of living: 109.3

a/ Includes post adjustment of:
2 months at old class 5
8 months at old class 6
1 month at new class 6 under the revised system (multiplier 34)
1 month at new class 6/+1 under the revised system (multiplier 35)

In the course of the Commission's consideration of this question, some members questioned again whether the comparison should not be made between the levels of remuneration of the two services in Washington or between them in New York, rather than between the two cities. The majority of members reaffirmed the reasons given in the Commission's second annual report (A/31/30, para. 166), emphasizing that the criterion adopted should not be determined by the present situation, with the United States as comparator country, but should be one which would remain valid if any other country became the comparator; in that light, the choice of the headquarters cities of the national civil service and of the United Nations was inevitable.
120. The comparable figures for the period October 1976 to September 1977 were as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average ratio</td>
<td>120.8</td>
</tr>
<tr>
<td>Cost-of-living ratio New York/Washington</td>
<td>106.9</td>
</tr>
<tr>
<td>Average ratio, adjusted for cost of living</td>
<td>113.0</td>
</tr>
</tbody>
</table>

121. The narrowing of the margin, from 13 per cent in the previous 12-month period (and 12.7 per cent in 1975-1976) to 9.3 per cent in the latest period, was due to:

(a) The fact that the increase in United Nations remuneration in New York through the operation of the post adjustment system, which was 4.7 per cent for the 12-month period, was less than the increase of United States Civil Service salaries in the corresponding period (6.4 per cent net);

(b) The revision of the cost-of-living relationship between Washington and New York, following detailed surveys conducted in both cities, the findings of which were examined by ACPAQ and endorsed by the Commission and which showed the cost-of-living difference to be 8.7 per cent.

122. During the Commission's discussion of this question, the representative of FICSA stated that the margin of 9.3 per cent was by far the lowest ever reached and much below the levels of 20 to 25 per cent which had formerly been recommended, not only by FICSA but by ACC as well. The margin had tended continually to narrow except when the General Assembly had intervened to grant absolute increases in the base salary scale, because the salary system contained several built-in features producing under-compensation. Failing correction of those features, the Commission should, in FICSA's view, be consistent with the pledges it had given to take action to maintain an appropriate relationship between United Nations and United States remuneration and should recommend both consolidation of several classes of post adjustment into base salary and a salary increase of about 10 per cent which would partially offset for some time the automatically regressive features of the system.

123. The Commission recalled that the suggestion that the optimum level of the margin should be about 20 to 25 per cent had been made before the Commission had brought changes into the method of calculation of the margin, with different matching grades and the introduction into the equation of the Washington/New York cost of living differential. The significance of the margin was in relation to the adequacy of United Nations remuneration to attract and retain staff of the requisite standard from all of the Member States. Some margin in over-all conditions of service was indispensable; but it could not be quantified precisely nor determined as an abstract optimum. It was the Commission's role as a permanent body to keep the level of the margin under review and to reach pragmatic conclusions having regard to all the relevant factors. Although the margin had indeed narrowed appreciably in the past year the Commission did not believe that conclusive justification for action of the kind called for by FICSA existed at the present time.

**Effect of new grading equivalencies on the calculation of the margin**

124. Having recommended new grading equivalencies to be used in future comparisons, the Commission enquired what would be the effect of the use of those equivalencies
on the margin for the current period. It first noted that, whereas the ratios at the three existing grade equivalencies had hitherto been used unweighted (the numbers of staff in the three matching grades being roughly equal), it would be appropriate, when using a greater number of matching grades with greater disparities in the numbers of staff in them, to weight the ratios at the different grades by the numbers of staff in those grades. It considered several different methods of weighting and concluded that the most logical one was that which reflected the same population as had been used in establishing the grading equivalencies, namely, staff in the headquarters and other established offices, to the exclusion of project staff. The Commission intends to apply this method of weighting in future calculations of the margin, assuming that the new grading equivalents it has recommended are approved.

125. Using the recommended matching points at grades P-1 through D-1 and weighting the ratios found at the different grades as indicated above, the Commission noted that the over-all average for the latest 12-month period would be 110.2 per cent, compared with 109.3 obtained with the three existing matching points.

4. Study of "the feasibility of establishing a modified system of post adjustments"

126. The General Assembly, at its thirty-second session, noted the assurance given by the International Civil Service Commission that it would continue to keep under continual review the relationship between the levels of remuneration of the United Nations common system and the United States Civil Service, "in particular with respect to any divergencies which might result from the operation of the post adjustment system" and requested the Commission to inform the General Assembly at its thirty-third session of the results of the review, "which should include, in particular, the feasibility of establishing a modified system of post adjustments, taking into account the views expressed in paragraph 229 of [the Commission's] second annual report".

127. It will be recalled that, in the course of its review of the United Nations salary system in 1975-1976, the Commission had noted that one of the possible causes of a widening of the margin between United Nations remuneration and that of the comparator, i.e., the United States Civil Service, was the fact that "in order to ensure equality of purchasing power between staff in different duty stations, the post adjustment system protected purchasing power also at the base of the system". In other words, the purchasing power of United Nations remuneration in every duty station throughout the world was compared to that at the base of the system, namely, New York, at a given date; but the current level in New York was also compared to what it had been at that date, and the New York post adjustment adjusted in accordance with the rules of the system to compensate for the rising cost of living there. Since United States Civil Service salaries were not adjusted automatically on the basis of the movement of cost of living, but, rather, by a once-yearly increase decided by the President, the relationship between the levels of remuneration of the two services could diverge - in either direction: if the President granted an increase to the Civil Service larger than the annual amount of inflation, the margin would narrow; if, on the other hand, the President granted an increase smaller than the annual inflation (which inflation would have been reflected in the United Nations system by an increase in post adjustment), the margin would widen. The Commission reported that most members believed that a
solution to that problem should be sought, "such as, perhaps, removing the automatic protection of purchasing power at the base of the system and relating the level of remuneration there strictly to the Noblemaire comparison with the remuneration of the comparator national service". 25/

128. The General Assembly, in its resolution 31/141 B, took up this point and requested the Commission to report to it on "the feasibility of establishing a modified system of post adjustments, taking into account the views expressed in paragraph 229 of its report" (resolution 31/141 B, sect. II, para. 1).

129. In response to that request, the Commission, in its third annual report, summarized the study it had made of the question with the assistance of ACPAQ. Its conclusions were:

(a) That, in light of the experience of recent years, the risk of a major widening of the margin occurring because of this difference in method of adjustment was rather remote;

(b) That, if that risk should materialize, the Commission would have advance notice of it through its continual monitoring of the relationship and "already had the necessary authority and means to deal with any divergency which might appear". 26/

130. The General Assembly, nevertheless, made the request, referred to in paragraph 126 above, that the Commission re-examine the matter.


131. The Commission's report on the evolution of the relationship between the levels of remuneration of the two services during the 12-month period from October 1977 to September 1978 contained in the previous section showed that the margin of United Nations remuneration over that of the United States Civil Service, which had been 12.7 per cent in 1975-1976 and 13.3 per cent in 1976-1977, fell during the latest period to 9.3 per cent. That drop was due in part to the review of relative costs of living in Washington and New York but also to the fact that the increase of United Nations remuneration in New York as a result of the operation of the post adjustment system (4.7 per cent) was less than the increase in United States Civil Service salaries granted by the President with effect from 1 October 1977 (7.05 per cent gross, equivalent to 6.4 per cent net at the relevant grades).

132. In response to the specific request of the General Assembly that the Commission report on "any divergencies which might result from the operation of the post adjustment system", it could thus be said that during this period, the post adjustment system, compensating only for inflation (and that not fully), 27/ resulted in


26/ Ibid., Thirty-second Session, Supplement No. 30 (A/32/30), para. 44.

27/ For each 5 per cent increase in cost of living, salaries are adjusted through post adjustment by about 4.3 per cent, on average.
in a lesser increase in United Nations "emuneration in New York than the increase granted by the President in civil service salaries which provided some gain in real purchasing power over and above the compensation for inflation.

133. The experience of 1977-1978, in fact, confirmed that of earlier years, as recorded by the Commission in paragraph 40 of its previous report, 28/ namely, that "over a period of a number of years, with the exception of the years of high inflation 1973-1975, the annual increases in salaries of the United States Civil Service had equalled or exceeded the rise in the cost of living". As long as that continued to be so, there was no danger that the operation of the post adjustment system would result in a widening of the margin, on the contrary, other things remaining equal, the margin would narrow by the extent to which the United States Civil Service salary increases exceeded the rate of inflation plus the amount by which the United Nations post adjustment undercompensated for the increase in cost of living. The fact that this had been so over a number of years was one of the reasons which had led the General Assembly to make absolute increases in base salaries in 1971 and 1975, in order to restore their purchasing power.

134. As remarked by the Commission in 1976, the risk of widening the margin would only occur "in so far as /the United States Civil Service/ might from time to time lag behind the maintenance of real income of its staff". The record showed that when such lags had occurred, they had been corrected the following year or soon after that (as, for example, the 1977 increase made up for a lag previously incurred). According to law, United States Civil Service salaries were adjusted so as to maintain comparability with remuneration in the private sector for equivalent work; they did not, therefore, necessarily respond directly to changes in the cost of living, and, in circumstances of rapid inflation, there could presumably be some time lag while, first, private sector salaries caught up with inflation and, then, civil service salaries caught up with those of the private sector. The situation must thus be seen over a period of several years. For example, in June 1978, the President had announced that the salary increase due on 1 October 1978 for the civil service would not exceed 5.5 per cent. This was considered to be probably less than the expected rate of increase of the consumer price index and therefore not to suffice to maintain real income; thus, in principle, it would create a situation in which the United Nations/United States margin might widen. Nevertheless, a projection of the movement of the post adjustment index at that time based on extrapolation of the New York consumer price index (both over the past 12 months and over the most recent three-month period, when the rate of inflation had been more rapid) indicates that it was likely that the margin would not be substantially affected and still would remain below its 1976-1977 level.

135. It might thus be concluded that the risk of a widening of the margin through the operation of the post adjustment system, while it theoretically existed, was practically remote. It was in the perspective of the low degree of probability that such an event would occur that the Commission viewed the feasibility of introducing into the system a safety device to prevent it from ever happening. As the Commission reported a year ago, such a device was indeed technically feasible; the post adjustment in New York would be "frozen" and would only be "unfrozen" when, and to the extent that, an increase in United States Civil Service salaries was announced. The "freeze" could not, in equity, be applied only to

staff in New York; consequently, when the index of New York was "frozen" that of every other duty station would have to be frozen to the same extent as that of New York, but any increase in the local index exceeding that of the New York index would be implemented normally.

136. While feasible, it was evident that this arrangement would involve very considerable complications. If the New York post adjustment alone were involved, it would be easy to tie it to the level of United States Civil Service salaries; but the raison d'être of the post adjustment system was to maintain equality of purchasing power between all duty stations, and that involved maintaining a mathematical relationship between all the different indexes. That relationship would be destroyed and the purpose of the system stultified if the base index were frozen and all others allowed to progress normally; but the system would be further complicated if a corrective factor proportional to that applied in New York had to be applied elsewhere, where indexes were moving and classes changing at different rhythms and times and in response to currency exchange factors, as well as to the movement of cost of living. The function which the United Nations post adjustment system sought to perform was considerably more complex than that of any other existing system of international compensation, governmental or private, and the system itself was correspondingly more complicated. On the whole, it had worked well, as the Commission had observed in its study on the effects of currency instability on the salary system (see para. 40 above), but to try to make it serve a purpose for which it was not intended, that is, maintaining parity with an outside comparator, as well as internal parity, would be to risk overburdening and wrecking it.

137. One member believed, nevertheless, that the margin of United Nations remuneration over that of the comparator country would be more readily acceptable if it were clearly shown that United Nations remuneration at the base of the system in New York was increased only when and to the extent that the remuneration of the United States Civil Service was increased, i.e., once a year in October, when the annual adjustment of United States Civil Service salaries was announced. Other members, however, took issue with that member's view that the Noblemaire principle required that United Nations remuneration to be both fixed and adjusted solely by comparison with outside salaries, without reference to the cost of living. They believed that while the level of salaries of the best-paid national civil service was a reference point, once United Nations remuneration had been fixed in relation to that reference point, it must evolve having regard to the internal requirements of the system, in particular the obligation to maintain the equality of the real value of the salary for staff members in all duty stations throughout the world.

138. In any case, the majority of the members remained convinced that the limited likelihood of the problem occurring did not justify the disadvantages of introducing into the system a preventive device of the type envisaged - the more so, as the Commission had the means to be made aware in good time of any problem likely to arise in that respect and to take appropriate ad hoc action before it arose, and was thus in a position to control the situation effectively and prevent any untoward widening of the margin.

139. The Commission would be warned in due time of any possible problem, because it received a report on the evolution of the margin at each of its twice-yearly sessions. Its secretariat was constantly on the watch for any circumstance which might affect the margin, and, should anything occur which could not await the next session, the Chairman of the Commission had the possibility of taking certain steps or of consulting his colleagues by correspondence.
140. In fact, however, the situation was not one in which sudden changes could occur; on the contrary, it could, in general, be forecast with considerable accuracy 12 months ahead. The salary adjustment of the United States Civil Service normally occurred only once a year and was usually announced some time before it took effect in October. The cost-of-living relationship between Washington and New York, which affected the calculation of the margin, evolved slowly. United States federal, state and municipal income tax rates, which affected the calculation of the net remuneration of United States civil servants used in the comparison, could vary, but changes of the magnitude of those which could realistically occur within the span of one year had only a minimal effect on the margin. The one factor which was less predictable was the cost of living; a sudden acceleration of the rate of inflation in New York could disturb the relationship as forecast. However, even then, the "four-month" rule provides a safeguard against the situation deteriorating before the Commission had time to intervene; through that rule, a waiting period of four months elapsed between the time at which the index reached the level at which a new class of post adjustment was due and the time the class actually became effective. The change introduced into the post adjustment system by the General Assembly in 1977 on the Commission's recommendation (resolution 32/200, sect. II) had the effect of further prolonging the interval between changes of class.

141. There was, thus, no risk at all that the Commission could be taken by surprise by a sudden change of class of post adjustment in New York which would excessively widen the margin. If the Commission did observe that circumstances were likely to occur which could lead to such a widening (for example, an increase in the rate of inflation not paralleled by increases in United States Civil Service salaries, it could take conservatory action within the authority it had under article 11 (c) of its statute to establish "the classification of duty stations for the purpose of applying post adjustments". That action might be to decide that an increase in post adjustment class for New York which was becoming due under the rules of the system should be temporarily withheld. The withholding of a class could remain in effect either until circumstances showed that it could be granted without widening the margin (e.g., announcement of a forthcoming increase in United States salaries sufficient to absorb the effect of the additional class) or, failing this, until the problem was submitted to the General Assembly at its next session. Depending on the circumstances (e.g. the extent of the divergence between the movement of United States Civil Service salaries and that of the cost of living in New York, or the number of months to elapse before the next session of the General Assembly), the Commission could either impose some ad hoc restraint on the movement of post adjustment classes in other duty stations or allow them to continue normally. If the situation was not righted, for example, by an increase in United States salaries, there would be two possibilities: either the Commission could set back the index of New York by the number of points necessary to prevent the post adjustment increase which would have widened the margin and set back the indexes of all other duty stations by a proportionate percentage, or the problem could be submitted to the General Assembly which would, in any case, have to decide on the action to be taken following the ad hoc conservatory action taken by the Commission. 29/

29/ The representative of FICSA reiterated the staff's objection to the "one-sided" approach taken by the Commission to the question of conservatory action, i.e., its concern only with action to prevent widening of the margin and its disregard of the need for action to prevent narrowing of the margin.
Conclusion

142. The Commission trusts that by this fuller explanation of the problem, it has shown that:

(a) Although the post adjustment system does compensate (albeit only partially) for inflation at the base of the system, adjustments of United States Civil Service salaries have, over a period of years, more than compensated for inflation, so that the risk of a widening of the margin for this reason is rather remote;

(b) Thanks to its constant monitoring of the evolution of the margin, the Commission would have ample advance notice if any such situation were to develop;

(c) The Commission can take adequate and appropriate action to prevent any excessive widening from occurring, pending examination of the situation by the General Assembly at its next session;

(d) This being so, it is unnecessary to further complicate the post adjustment system and jeopardize its working by introducing into it an automatic corrective device to prevent the widening of the margin.

B. Other questions concerning the post adjustment system

143. On the basis of the report presented to it by its Advisory Committee on Post Adjustment Questions (ACPAQ), the Commission took decisions on a number of technical questions relating to the operation of the post adjustment system.

144. It took note of the results of the cost-of-living surveys carried out in New York and Washington, both of which were of special importance for the salary system, New York being the base of the system and the relationship between costs in the two cities entering into the calculation of the "Noblemaire comparison" between the United Nations common system and the United States Civil Service. The Commission welcomed the steps taken to increase the validity of the New York survey by widening both the range of items included in the collection of prices and the categories of staff members covered by the surveys of family expenditures from which the weighting patterns were derived, as well as refinements introduced in the collection and interpretation of housing costs. The results of the two surveys, which had been endorsed by ACPAQ, gave an up-to-date picture of the comparative costs of living for staff members in the Professional and higher categories in New York and Washington: in November 1977 the cost in Washington was 92.5 per cent of that in New York.

145. In addition, the Commission noted and endorsed the findings of ACPAQ concerning cost-of-living surveys carried out in London and Rome. It approved a revised methodology for the calculation of the progression factor for out-of-area expenditures, to be based on a weighted average of the evolution of prices in the countries of which staff members were nationals rather than, as hitherto, on the movement of the New York Consumer Price Index. It also endorsed special measures to be taken with respect to post adjustment classifications in field duty stations where major currency fluctuations occurred and took note of ACPAQ's conclusions regarding methodological problems involved in the updating of indexes and in the collection of data of housing costs.
146. The Commission had requested ACPAQ to study the methodology to be used when one or more classes of post adjustment were consolidated into base salary. ACPAQ analysed different methods which could be followed according to whether the General Assembly, at the same time as it decided on consolidation, decided also to increase the absolute level of salaries or, on the other hand, approved consolidation without any accompanying increase in total remuneration. The Commission decided that, since it was not recommending any consolidation at the present time, it was not necessary for it to make a final choice between these alternatives in the abstract; it would do so if and when it recommended consolidation, having regard to the other relevant circumstances prevailing at that time.

147. The Commission had also requested ACPAQ to examine further the question of how duty-free purchase privileges granted to certain staff at certain duty stations should be treated in the calculation of post adjustment indexes. It noted ACPAQ's analysis as well as the views presented by the representatives of CCAQ and FICSA. It recognized that, while in most duty stations the effect on the index of the inclusion or exclusion of these duty-free privileges was insignificant, there were cases, such as Montreal, when it could make a difference of several points in the index. The Commission was sensitive to the consideration that in such circumstances those staff members who were not entitled to duty-free privileges should not be penalized by the depression of the index as a result of the taking into account of the lower prices enjoyed by their colleagues. It adopted the following rule: whenever, at a given duty station, all staff members in the Professional and higher categories other than those who had the nationality of the duty-station country enjoyed a particular privilege, the tax-free prices for the relevant item(s) of consumption should be used in computing the post adjustment index. If, however, any staff member in the Professional and higher categories other than nationals of the duty station country was excluded from the benefit of the privilege, the tax-free prices for the relevant item(s) should be disregarded and only the commercial prices taken into account.

C. Children's allowance for the Professional and higher categories

148. The Commission recorded in its third annual report 30/ the proposal made to it by FICSA to the effect that the value of the children's allowance, which had been eroded by inflation and by the decline in value of the United States dollar since its amount was last fixed at $450 from 1 January 1975, be restored. The Commission had recognized that staff in different duty stations were affected to differing extents so that a situation of inequality was created; it decided, however, that before either the existing amount of the allowance was changed or any mechanism introduced to adjust its level to changes in cost of living or currency exchange values, further study was required.

149. At its eighth session, CCAQ submitted a document recalling that the allowance was conceived as a social benefit, a contribution to the additional expenses of a staff member with dependent children, as distinguished from compensation for such expenses; that its amount had hitherto been fixed pragmatically having regard to a number of factors, including the level of tax and social security benefits provided in respect of dependent children both in the comparator country and in other headquarters countries; and documenting the losses suffered by the equivalents

in different duty stations. The organizations recommended that, as a social benefit, the allowance should continue to be fixed as a flat amount without distinction of grade. They did not recommend (as had done the 1971-1972 Special Committee) that its amount be adjusted by the movement of the post adjustment index (although this was proposed by one organization, GATT); instead they believed that its value should be reviewed by the Commission every two or three years. On the present occasion they did not propose an increase, having regard to the budgetary constraints of the organizations. However, in view of the losses in the local currency value of the allowance in those duty stations where the local currency had appreciated in relation to the United States dollar (e.g., loss between 1 January 1975 and 1 January 1978 of 21.2 per cent in Geneva, 13 per cent in Vienna), they recommended that the local currency value be protected by a "floor" fixed at the local currency equivalent of the allowance at the time its dollar amount was last fixed, i.e., 1 January 1975.

150. The representative of FICSA reiterated the importance attached by the staff to the taking of satisfactory measures to restore and maintain the value of those entitlements which were expressed as fixed amounts in dollars. The children's allowance had declined as a percentage of net remuneration, in nominal terms in local currency and in real value. The staff called for an increase in its amount and for its linking to the level of post adjustment.

151. The Commission recognized that it would have in due course to re-examine the justification for and interrelationships of all the various entitlements which made up the salary system, as it had itself stated at the end of its first review. At such time, it would need to study further the rationale of the children's allowance and the method of determining its amount. Most members were of the opinion that in the meantime the Commission should not act on FICSA's proposal but, on the other hand, should not be inhibited from considering the protection of the local currency value as proposed by CCAQ.

152. Since proposals had been made for similar protection of other entitlements expressed as fixed amounts in dollars, the Commission considered what criterion should govern the selection of other entitlements to be protected. It concluded that such protection was justified in the case of the children's allowance, which was fixed at a flat rate world-wide without any relation to differences in cost of living and so should be protected against further erosion by currency fluctuations; and the education grant, the amounts of which similarly were determined on a world-wide basis and related to specific costs (see paras. 236-240 below). On the other hand, the assignment allowance was modulated according to region and grade; moreover, its main use was in field duty stations where the problem of appreciation of local currency against the United States dollar was less frequent (see paras. 266-275 below).

153. Accordingly the Commission recommends that the amount of the children's allowance payable in local currency shall not be less than the local currency equivalent of the dollar amount at the time of its establishment, i.e. $450 on 1 January 1975; and that this measure shall take effect from 1 January 1979. The budgetary implications of this measure depend entirely on the evolution of currency exchange rates and so cannot be forecast; however, any extra expenditure entailed would normally be covered from the special provision which the organizations maintain for losses and gains on currency exchange fluctuations.
CHAPTER V

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

A. Entitlements on cessation of service

154. In 1976, the International Civil Service Commission submitted to the General Assembly and to the governing organs of the other participating organizations the report on the review of the United Nations salary system which it had been requested to make by General Assembly resolutions 3042 (XXVII) and 3357 (XXIX). In this report, it examined in turn each of the entitlements provided by the staff regulations and staff rules for staff members who were leaving the service of the organizations. It recommended changes in some of the entitlements and proposed one new entitlement. The General Assembly approved the Commission's recommendations regarding the base of calculation for terminal payments (resolution 31/141 B, sect. I, para. 6), the scales of amounts of the repatriation grant (ibid., para. 9) and the conditions and rates of the termination indemnity (ibid., para. 11). On the other hand, it requested the Commission to re-examine, in the light of the views expressed in the Fifth Committee at the thirty-first session:

"(a) The conditions for the provision of terminal payments (for example repatriation grant, termination indemnities), in particular on retirement, and the possibility of establishing a ceiling for the maximum aggregate entitlements to these payments;

"(b) The possible introduction of an 'end-of-service' grant with particular attention to the conditions in which such payment might be justified" (ibid., sect. II, para. 3).

155. By the same resolution (ibid., para. 4), the General Assembly also requested the Commission to consider and propose to it at its thirty-second session measures by which the maximum amount of the lump-sum payable to the dependants of a staff member who died in service would be aligned on the revised scale of termination indemnities. In its third annual report the Commission informed the General Assembly of the reasons for which it believed it would be better to deal with this subject as part of the general study, rather than separately. It is therefore included here.

156. At its seventh session the Commission had before it a document submitted by CCAQ, in which the committee reviewed the legislative history, rationale and

31/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30), part two.
conditions of each of the existing entitlements and addressed itself to two questions of policy:

(a) What changes, if any, should be made in the conditions of entitlement to the existing separation payments;

(b) Should the policy of establishing the amount of each separation payment in relation to the purpose which the payment was to serve be modified by the introduction of the concept of an aggregate maximum for all separation payments?

Its conclusion was that the definition of the purposes of the different entitlements called for no change and precluded the possibility of duplication between them. That being so, it considered that the introduction of maximum aggregates for all payments would be inconsistent with the basic concept of the payments and could in some cases lead to inequitable treatment of expatriate staff members. It recommended uniform conditions for the lump-sum payment made to the recognized dependants of a staff member who died in service; questioned whether the method of calculating the amount payable to a staff member upon separation in compensation for unused days of annual leave ought not to be revised to comply with the terms of the relevant ILO Convention and reiterated its concurrence with the recommendation made by the Commission to the General Assembly in 1976 for the introduction of an end-of-service grant for staff members holding a fixed-term appointment whose appointment was not renewed after a specified number of years of service.

157. The representative of FICSA reaffirmed the views which FICSA had stated previously. 33/ In particular he declared the staff's strong support for the proposed end-of-service grant for staff who served for a number of years on fixed-term appointments; in FICSA's view that grant would constitute just compensation for the lack of security of employment of such staff.

158. The Commission's conclusions and recommendations are set out below.

Categories of entitlements

159. The Commission noted that the payments to which a staff member might be entitled on leaving the service fell into three categories:

(a) Compensation for deprival of continued employment;

(b) Grants to assist the staff member or, in case of death in service, his or her surviving dependants to re-establish themselves in the home country;

(c) Deferred payment in lieu of entitlements not used during service.

160. It is relevant to note here that former United Nations staff members are not as a rule entitled to unemployment benefits under national social security schemes because, particularly when they have been serving outside their own country, they have not contributed to the national scheme during their employment. In other similar circumstances where international civil servants are deprived by their status from certain benefits which a Government normally assures to its citizens, the United Nations system, as the employer, undertakes responsibilities which

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33/ See, inter alia, ibid., Thirty-first Session, Supplement No. 30 (A/31/30), paras. 268 and 304.
otherwise would be borne by the Government. It does not, however, provide an
unemployment benefit to bridge the former staff member over until he or she finds
other employment or qualifies for unemployment benefits in his home country; the
complications of operating such a system are evident, for example, in verifying
whether persons who are no longer staff members have found other employment or made
sufficient efforts to find it. The other separation entitlements which the United
Nations common system does provide thus have to some extent to substitute for the
lack of unemployment benefits; and this must be borne in mind in considering their
conditions and amounts.

1. Compensatory payments

(a) Termination indemnity

161. Termination indemnity is paid to a staff member who is separated prematurely
from service at the initiative of the organization, in other words, when the
employer unilaterally breaks the contract. The clearest case is when the post
occupied by the staff member is abolished (for example, because that particular
function is no longer required) or when the over-all size of the staff is being
reduced. Whether the staff member was serving on a permanent appointment or on
a fixed-term appointment which still had some time to run, there is loss of
expectation of employment, which must be indemnified. If the staff member is
entitled to a retirement pension under the regulations of the United Nations Joint
Staff Pension Fund, there is no loss of expectation of continued employment and so
no indemnity is payable. Neither is an indemnity payable if the organization's
decision to terminate the staff member is motivated by serious fault on his or her
part, i.e., in cases of summary dismissal or abandonment of post. If the
organization finds it necessary to terminate the staff member because his or her
state of health incapacitates him or her for further service, the same indemnity
is payable as in case of abolition of post or reduction of staff, except that the
amount of any disability benefit awarded to the staff member is deducted from the
amount of the termination indemnity. If the staff member is terminated for
unsatisfactory service or for misconduct not serious enough to warrant summary
dismissal, a reduced termination indemnity of not more than one half the standard
amount may be paid by the executive head, at his discretion. (It has been
questioned why any indemnity at all should be paid in such cases where there is an
element of fault on the part of the staff member. It will be noted that there is
no requirement that an indemnity be paid; it is left to the executive head to pay
one if he believes the circumstances of the case warrant it. Examples of
circumstances which might warrant payment of an indemnity are: when the staff
member's services have been satisfactory over a period of time but have become
unsatisfactory perhaps because of family troubles or of ill-health not so bad as to
warrant termination on medical grounds; or misconduct which renders the staff
member's continued presence in the staff undesirable but where there are extenuating
circumstances such as a long previous record of good conduct. In such cases, the
interest of good administration would not be served if there were no middle course
open between the severe penalty of summary dismissal and keeping the staff member.
In any case, the statistics show that this discretionary power is rarely exercised
by the executive heads; for example, in the first nine months of 1977, only four
such cases occurred, all in the same organization.)
162. The last circumstance in which a termination indemnity may be paid differs from the others in that it does not relate to a unilateral act by the employer but to an "agreed termination", where the employer considers the interests of good administration would be served by the staff member's departure and the staff member has agreed that, if terminated, he will not contest the action. In such cases the standard amount of the indemnity may be increased by up to 50 per cent at the discretion of the executive head if he considers it justified in the particular circumstances of the case. This provision facilitates the removal of staff members who, without having committed any fault making them liable to involuntary termination, no longer have a useful contribution to make to the organization. Recent experience in ILO (where 16 out of the 25 cases registered between 1 January and 30 September 1977 occurred) has confirmed its particular usefulness when a substantial reduction of staff has to be carried out.

163. The standard amount of the indemnity for staff holding permanent appointments is based on length of service, ranging from three months' pay (defined for this purpose as pensionable pay less staff assessment) after two years' service to a maximum of 12 months' pay after 15 or more years' service. For staff holding fixed-term appointments, the amount of the indemnity is at first related to the unexpired portion of the contract, at the rate of one week per unexpired month of contract but, following the recommendation made by the Commission in 1976, after six years of service the indemnity is based on completed years of service rather than on the unexpired portion of the contract; from nine years' service the scale becomes the same as that for staff members with permanent appointments. It will be recalled that the Commission considered in 1975-1976 the possibility of tapering off the amount of the indemnity as the staff member approached the age of retirement and so his expectancy of further service lessened; it concluded, however, that the complication of such provisions would not be warranted by the number of staff members likely to be terminated close to the age of retirement and, moreover, that there were strong arguments for giving the maximum indemnity to any such persons whose chances of obtaining other employment would be limited.

164. The conditions and amounts of the termination indemnity having been approved by the General Assembly, on the Commission's recommendation, as recently as 1976, the Commission finds no cause to recommend any further change in them at this time, except to rectify one minor omission in the scale as then recommended and approved: in order to avoid the possibility that a staff member holding a fixed-term appointment and with less than six years' service who was terminated while more than a year of his fixed-term contract remained should receive a larger indemnity than a staff member having more than five years' service (who would receive three months' indemnity whatever the unexpired length of his contract), a maximum should be set to the indemnity payable in case of termination during the first six years of service the text in question then reading:

"one week per unexpired month of contract, subject to a minimum of 30 working days, i.e. one and a half months, and a maximum of three months".

(b) End-of-service grant

165. The 1971-1972 Special Committee for the Review of the United Nations Salary System recommended in 1971 that an indemnity should be paid to a staff member...
serving on a fixed-term appointment whose appointment was not renewed after a number of years' service. 35/ No action was taken by the General Assembly on any of the recommendations of the Committee. The Commission, in its review of the salary system in 1975-1976, discussed the proposal at length and, for the reasons set out in paragraphs 310-312 of its report, 36/ recommended the introduction of a new entitlement to be known as the "end-of-service grant". The General Assembly, however, by paragraph 3 (b) of part II of its resolution 31/141 B, requested the Commission "to re-examine, in the light of the views expressed in the Fifth Committee at the thirty-first session ... (b) the possible introduction of an 'end-of-service' grant with particular attention to the conditions in which such payment might be justified".

166. The Commission accordingly re-examined the question carefully at its seventh and eighth sessions. The representatives of both the executive heads of the participating organizations and of the staff reaffirmed their strong support for the introduction of an end-of-service grant.

167. The Commission observed that, if the question of the possible need for a provision of this kind arose, it was solely because of the existence in the United Nations common system of an employment practice for which no parallel was to be found in national practice in either the public or the private sector: the practice of retaining employees for many years but on a temporary basis, without giving them the security of permanent status.

168. In the study it was making, under article 14 of its statute, of the career concept and career development in the United Nations system, the Commission would be examining the relative roles of permanent and fixed-term employment. While it was too soon to predict the outcome of that examination, there could be no doubt that, whatever else it might show, it would inevitably lead to the conclusion that the organizations needed and were likely to continue to need to employ part of their staff for limited periods and less than a full career, because of the nature of part of their functions, the types of personnel needed to perform these functions, the conditions of authorization and financing of programmes, etc. It was thus not the practice of employing staff for fixed periods itself which was in question. On the contrary, it was the misuse of the fixed-term appointment in cases where the organization, for whatever reason and with whatever justification, retained an employee in its service over a considerable number of years renewing his fixed-term appointment every few years three, four or more times in succession. It was evident that an employee who was engaged with a single fixed-term appointment, the terms of which expressly stated that it carried no entitlement to or expectation of renewal, was aware that he must arrange his affairs so that he could resume his career elsewhere at the expiration of this engagement, without having any claim on the organization once the terms of the contract concluded between him and it had been fulfilled on both sides. The same was true if the first fixed-term appointment was followed by another bringing the total period of employment up to five or six years, as was frequent in the organizations, it being understood that this represented a normal duration for fixed-term employment. However, for the majority of the members


36/ Ibid., Thirty-first Session, Supplement No. 30 (A/31/30).
of the Commission, the situation could no longer be said to be the same when the
staff member's fixed-term appointment had been successively renewed three, four
of more times and his employment had lasted 10, 15 or even 20 years. He was then
entitled to believe that his services were appreciated and needed by the organization
on a continuing basis and to expect that, other things being equal, the organization
would continue to employ him. He had, in effect, acquired a virtual expectation of
continued employment which in practically any national system would carry with it
exactly the same legal rights as a permanent contract. It was the fact that in the
United Nations common system the staff member with a fixed-term appointment never
acquired the same entitlements as a staff member with a permanent appointment,
whatever the length of his employment, which gave rise to the situation which the
Commission sought to rectify through the introduction of the end-of-service grant.

169. When for whatever reason - reduction of staff, changing needs, etc. - the
organization decided that the services of a particular staff member were no longer
required, if the staff member had a permanent appointment, he received an indemnity
as compensation for the unilateral breaking of the contract and for the consequent
deprival of continued employment, the amount of which ranged from six months'
salary after six years' service to 12 months after 15 years. If he did not have a
permanent appointment, he might receive an indemnity if his appointment was
terminated before its due date of expiry; but (what was likely to happen much more
frequently) if his contract was allowed to run its course and then he was informed
that it would not be renewed, he was not entitled to any form of indemnity or
gratuity. Again, if he had been employed only a few years, it was not unreasonable
that the employment be simply allowed to lapse (although many national systems
either provided a higher rate of remuneration to fixed-term staff or paid some kind
of gratuity on separation to compensate for the precarity of their situation -
neither of which existed in the United Nations common system). But for the employee
of a number of years' standing and who, although not granted the legal security of
a permanent appointment, had been given grounds to expect that the organization
would continue to employ him, the sudden and unexpected announcement that his
appointment would not again be renewed caused the most serious problems. Even if
during his earlier years of service he had been seconded from his national service
or had had some other arrangements which would have enabled him to return to his
previous employment, it was extremely rare that such arrangements still held good
after nine or ten years' absence; because of his expatriation his professional ties
in his own country had been loosened and his chances of finding suitable employment
there at short notice had lessened; moreover he would be seeking employment at the
professional level which he had attained during his years of United Nations'
service, not at that he occupied before first leaving his country.

170. This, in the Commission's view, constituted inequitable treatment of the staff
members concerned; and the majority of the members, like those of the 1971-1972
Special Committee, believed that, until such time as the practice which led to this
inequitable treatment could be eliminated, it was proper that some compensation
be provided for the loss of expectation of continued employment. The Commission
would pursue its study of the system with a view to clarifying the relationships
between permanent or career employment, on the one hand, and fixed-term employment,
on the other, and to recommending measures which would ensure that fixed-term
employment became synonymous with short-term employment. It was likely, however,
to be several years before such measures became effective and in the meantime it
was, in the view of the majority of the members, necessary that some protection be
afforded to the thousands of staff members who had served already more than nine
or ten years without having the protection of a permanent appointment. Needless to say, when the causes of the problem had been removed, the measures now proposed by the Commission would no longer be required and could be dispensed with.

171. The members of the Commission who dissented from the majority view set out above did so principally on the same grounds as those representatives in the Fifth Committee of the General Assembly who held that a staff member who accepted a fixed-term appointment knew that it carried no right to or expectation of renewal and had no claim for compensation when it was not renewed. They believed that, in the light of the General Assembly's attitude in 1976, it would be wrong for the Commission to renew its recommendation for the introduction of a new entitlement, the more so that it had not yet succeeded in establishing a satisfactory comparison of existing total compensation with that of the comparator country. They also considered that the Commission should reserve its decision on this question until it had completed its study of the general question of permanent and fixed-term appointments, the conclusions of which should be submitted to the General Assembly no later than at the thirty-fifth session. Those members recognized that special circumstances like those which had arisen in WHO could occur in other organizations, considering that the situations of the different organizations varied greatly, for example with respect to the proportions of fixed-term and permanent staff, they were prepared to accept that the legislative body of any organization where such special circumstances arose should be free to introduce an end-of-service grant if it judged it to be necessary. Thus the entitlement would only be created in those organizations where there was special need for it.

172. The majority of members were unable to accept this solution, believing that the Commission would be abdicating its statutory responsibility for the co-ordination of conditions of service within the common system if it left so important a matter as the introduction of a new entitlement to be dealt with individually by each organization.

173. The Commission accordingly renews the recommendation it made to the General Assembly at the thirty-first session with, however, the following provisions:

(a) The measure should be reviewed when the Commission has reported to the General Assembly on the respective roles of permanent and fixed-term employment, which it will do no later than at the thirty-fifth session of the General Assembly;

(b) The number of years of service required before a staff member becomes eligible for the grant should be nine, rather than six as previously proposed, this threshold ensuring that it will be payable only to staff members who have

37/ The Commission had noted earlier that the Executive Board of WHO at its fifty-ninth session in January 1977 had approved a proposal by the Director-General of the Organization to introduce a new staff rule which "establishes an end-of-service grant as an interim measure, pending a re-examination by the International Civil Service Commission of its proposal concerning such a grant and a decision thereon by the General Assembly of the United Nations" (resolution EB 59.R35). The Commission noted the provisional character of the measure and the special circumstances in which it had been taken, i.e. the decision of WHO to abolish over 300 posts over a period of four years, entailing in many cases the non-renewal of the appointments of staff members who had served for a number of years on a fixed-term basis.
clearly passed the limit of what can properly be regarded as fixed-term employment; the nine-year point is also that at which equality is reached in the amounts of termination indemnities between permanent and fixed-term staff;

(c) In no case should the number of months of the grant paid to a staff member exceed the number of months of potential service remaining to him up to the normal age of retirement;

(d) The grant shall not be payable to a staff member who retains the right to reinstatement in his previous employment;

(e) The grant shall not be paid to a staff member who has resigned or who has declined an offer of renewal of appointment.

174. The Commission's recommendation therefore is that the staff regulations of the United Nations and of the other participating organizations should be amended so as to introduce a new entitlement, to be known as "end-of-service grant" in the following terms:

"A staff member holding a fixed-term appointment whose appointment is not renewed after he or she has completed nine years' continuous service shall, provided that he or she (a) has not resigned or declined an offer of renewal, or (b) does not retain a right to reinstatement in his or her previous employment, be entitled to a grant based on his or her completed years of service, the amount of which shall be as follows:

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<tr>
<th>Completed years of service</th>
<th>Months of pensionable remuneration less staff assessment</th>
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except that the number of months of the grant payable shall not be greater than the number of months by which the staff member's age is below the statutory age of retirement."

175. In making this recommendation, the Commission has paid due regard to the objections and reservations expressed by some representatives when its previous recommendation was considered by the Fifth Committee of the General Assembly at the thirty-first session. Of the six representatives who had explicitly opposed the proposal, three did so on account of its budgetary implications (the estimated cost of the present recommendation is dealt with in para. 177 below). The objection of substance, expressed by all six, was that a fixed-term appointment carried no expectancy of renewal and that the contract was fulfilled on its expiration with no further obligation for either party; that that situation was understood by staff members who accepted fixed-term appointments and that there were consequently no grounds for making them any compensatory payment. The Commission trusts that the explanations it has given in the preceding paragraphs
show conclusively that while this objection might be valid in circumstances such as those of a national civil service, where fixed-term appointments are used only for limited periods of temporary employment, it cannot be sustained in the context of the United Nations organizations where fixed-term appointments are used in a very different way. Related to this objection were the criticisms of three other representatives that the grant would be payable to staff who were on secondment from their Governments and so had no problem of finding alternative employment, or would result in a discrimination against those who had not wished to be renewed. The Commission reiterates that the purpose of the grant is to compensate those whose employment had been involuntarily discontinued; its existence consequently could not create any rights for staff who voluntarily resign or made it known that they do not wish their contract to be renewed. The possibility that a grant might be paid to a staff member who was on secondment and so would suffer no loss through non-renewal is practically ruled out by the raising of the threshold of eligibility to nine years’ service, as there are very few staff members who are still on secondment after nine years; in any case, such staff members are expressly debarred from receiving the grant.

176. Another objection which was raised was that no entitlement corresponding to the end-of-service grant was to be found in the conditions of service of the comparator national civil service, that of the United States. This is indeed so; but it must also be noted that fixed-term employment is much less frequent in the United States civil service than in the United Nations system and when used is more often related to the characteristics of the position, e.g., a function of finite duration, than to those of the individual, e.g. a person employed temporarily in an ongoing function. The special need which the proposed grant is designed to meet thus does not arise in the United States civil service; to employees with regular appointments who are involuntarily separated, the United States civil service provides severance pay the maximum of which (one year’s salary) is equal to the United Nations termination indemnity.

177. The Commission was given a tentative estimate of the budgetary implications of this measure by the Chairman of CCAQ, which amounted to some $3 million; however, the Chairman of CCAQ stated that the organizations believed that estimate was too high and wished to have time to review it. The final estimate to be provided by the executive heads will therefore be issued as an addendum to the present report.

2. Relocation grants

(a) Repatriation grant

178. The repatriation grant is the only one of the entitlements which a staff member may have on cessation of service which is expressly linked to expatriation. As the Commission recalled in its second annual report, 38/ it was introduced in 1950, on the recommendation of the 1949 Committee of Experts on Salary, Allowance and Leave Systems, in replacement of an expatriation allowance which had previously existed. The Committee of Experts considered that costs of expatriation during service should be covered by the regular salary and such ad hoc entitlements as

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the education grant and installation allowance. It "recognized nevertheless that
upon leaving the organization and being repatriated to his home country, a staff
member is faced with certain extraordinary expenses, and that such expenses would
fully justify payment of a special lump-sum grant at that time". 39/

179. The conditions of entitlement to the grant have remained essentially
unchanged since they were first established with effect from 1 January 1951. It
is payable to staff members whom the organization is obligated to repatriate,
i.e., to return upon separation to the "home country" as recognized under the
Staff Regulations and Rules for purposes of home leave or, exceptionally, to such
other country as the executive head may determine in the light of the circumstances
affecting the staff member's status at the time of separation. It is not payable
in cases of summary dismissal or abandonment of post. It is not payable to a
staff member who, at the time of separation, is residing in his or her home
country, except that if the staff member had previously served outside the home
country and subsequently been transferred to a duty station in the home country,
a grant may be paid in part or in full at the discretion of the executive head.
In the event of the death in service of a staff member who was eligible for the
grant, it may be paid to a surviving spouse or dependent children whom the
organization is obligated to return to their home country.

180. The amount of the grant is proportional to the length of service, the scales
having been revised by the General Assembly with effect from 1 January 1977, upon
the recommendation of the Commission; this revision merely restored the previously
existing ratio between the amounts provided for staff with dependants and those
without dependants, following the differentiation introduced into the base salary
of the two categories. The amounts themselves, ranging from four weeks of pay
(pensionable remuneration less staff assessment) after one year's continuous
service away from the home country to a maximum of 28 weeks' pay after 12 or
more years for staff members with dependants and half those amounts of pay for
staff members without dependants, remain as they were originally established in
1950. A differentiation introduced in 1956 between the entitlement of staff
holding permanent appointments and those with fixed-term appointments was found
by the General Assembly in 1963 to be a source of anomalies and inequities and
was abolished, so that the conditions of entitlement to the grant were once again
uniformly based for all staff on their expatriate status and length of service,
irrespective of the type of appointment held. The 1971-1972 Special Committee
was "divided on the amount of the repatriation grant and rules governing
entitlements to it"; some members believing the amount should be reduced, but
others considering that such action "could not be considered in isolation of
decisions to be taken on the re-establishment of an expatriation allowance". 40/
The ICSC reported in 1976 that it had noted for further study at a later date a
proposal made to it by FICSA for replacement of the repatriation grant by two
elements: the one, a grant or indemnity payable upon separation to all staff,
whether expatriate or not, the amount being based on length of service and not
differentiated by dependency status, and the other, a "re-installation grant"
similar to the installation allowance. Apart from the technical modification of
the scale referred to above, the Commission recommended no further change in
the conditions and terms of the grant.

39/ Ibid., Fourth Session, Fifth Committee, Annex, vol. II, agenda item 39,

40/ Ibid., Twenty-seventh Session, Supplement No. 28 (A/8728), vol. I,
para. 376.
The Commission's examination in 1978 centred on two questions:

(a) The justification for the progressive scale of amounts of the grant;

(b) The appropriateness of paying the grant to a staff member who, upon separation, does not return to his home country.

If the purpose of the grant was to meet exceptional expenses incurred in resettling oneself in one's own country, it could be questioned why the amount should increase with the number of years of service (up to a fixed maximum). It could be argued that the expenses in question were no greater after 20 years' expatriation than after one year's; indeed, they might be less if the separation and repatriation had been foreseen and planned for some time than if they occurred unexpectedly, as might be the case in the first few years of service. By its progressive character, the grant undoubtedly had some of the characteristics of an earned service benefit, as well as of an ad hoc subsidy. The Commission recognized this duality, due, no doubt, to the fact that the grant was introduced to replace a previously existing expatriation allowance and also to the influence of the progressive pattern of many other such indemnities (e.g., the termination indemnity or the severance pay of the United States civil service; the same pattern was found in the repatriation or resettlement grants of a number of national foreign services). The FICSA proposal, mentioned in paragraph 180 above, would include a flat amount for reinstallation expenses but would also retain a progressive element based on length of service and payable to all staff on separation. The Commission believed there would be logic in standardizing the repatriation grant as a flat amount or as the equivalent of a number of days' daily subsistence allowance at the rate applicable to the place to which the former staff member moved (so as to reflect differences in cost of living); at the same time, it doubted the wisdom of eliminating entirely from the salary system all trace of a separation benefit reflecting length of service. The institution of such an entitlement, whether along the lines suggested by FICSA or in some other way, would constitute a major reform of the salary system, which would need to be considered in the light, for example, of the degree of importance to be given to length of service in the context of the policy to be adopted regarding career or short-term employment. The Commission therefore was of the opinion that the present pattern should be maintained until such time as it was ready to propose such fundamental reforms.

Having regard to remarks made in the discussion in the Fifth Committee at the thirty-first session of the General Assembly, the Commission considered the question of whether it was appropriate that a repatriation grant be paid to a staff member who did not, in fact, return to his or her home country upon separation from the organization. Strictly speaking, it was clear that to do so would be inconsistent with the stated purpose of the grant. The staff member who remained in the country of the last duty station incurred none of the expenses of dislocation and reinstallation which the grant was intended to meet (or none more than would be incurred by a non-expatriate staff member, who would not be entitled to the grant in any case). The staff member who removed to a country other than the home country, either to work there or to retire there, did incur expenses of relocation and installation, but the strict purpose of the grant was not complied with. To say that the staff member had earned the entitlement to the grant through having been expatriate during his service and should receive it upon separation wherever he went, then, would be to change the nature of the entitlement and to make it a kind of deferred expatriation allowance, so raising the question of possible
duplication with that part of the margin included in base salary which is defined as compensation for expatriation.

184. The representatives of the organizations, while recognizing the problem, pointed out to the Commission the practical difficulties they would have in keeping track of the movements of a former staff member after he had left the service. The fact that he had used his entitlement to repatriation travel would not be conclusive, since he might travel to his home country but return immediately afterwards to settle in his last duty-station country or go to some third country. (Some members, however, believed that if a more rigorous control was exercised over repatriation travel than appeared to be the case at present, it could provide considerable indications as to where former staff members had gone on separation.)

185. The Commission acknowledged these practical difficulties and had no desire to see an international information network set up to keep track of the movements of former staff members. It did believe, however, that to pay repatriation grant to a person who remained permanently in the country of his last duty station was incompatible with the purpose of the grant and could also be seen as discriminatory by non-expatriate staff members. The expatriate staff member's choice to remain in the duty-station country certainly meant that he had, for some time, intended to make that country his home and so had, to some extent, ceased to be truly expatriate.

186. The Commission considered the possibility that the grant be paid only to a staff member who supplied evidence that he had settled in his recognized home country. It rejected that solution because it would penalize those staff members who, during service, had acquired family or other ties with a country other than that from which they were originally recruited, those who on leaving United Nations service were obliged to go to a third country in order to find work and those who, for political or other reasons, were unable to return to their home country. It considered nevertheless that the grant should not be paid to a staff member who, on separation, remained permanently in the country of his last duty station and so incurred none of the expenses of dislocation and relocation which the grant was intended to meet. The Commission recognized the difficulties of exercising administrative control over the movements of former staff members after they had left the organizations. Considering that the proportion of staff members who did not return to their home country on separation was in any case very small, the Commission was of the opinion that the setting up of cumbersome watertight controls would not be warranted. It believed that the staff member's good faith should be sufficient guarantee of his intentions. It recommends therefore that payment of the repatriation grant should be made conditional upon signature by the staff member of a declaration that he does not intend to remain permanently in the country of his last duty station. That requirement should come into effect from 1 January 1979 for new staff members. If the organizations consider that some period of grace should be allowed to serving staff members who may already have planned the place where they will reside after their separation on the assumption that they will receive the grant, CCAQ should agree on a common transitional measure.

(b) Death grant

187. When a staff member dies in service, the equivalent of a certain number of months of his or her salary is paid to the surviving spouse, dependent children
or recognized secondary dependants. The payment is designed to help the survivors over the difficult period of transition, which often entails removal from the duty station (back to the home country, if the staff member was expatriate) and adjustment to the very much lower level of income provided by the benefits payable to survivors under the United Nations Joint Staff Pension Fund Regulations (50 per cent of the pension which the staff member would have received, had he or she survived, and which itself cannot exceed 62 per cent of final pensionable remuneration - thus a maximum of 31 per cent of the staff member's remuneration). The entitlement was introduced by the General Assembly to fill a lacuna which had been observed in the Organization's social security arrangements and as a result of which dependants of deceased staff members had found themselves in serious difficulties.

188. By its resolution 31/141, the General Assembly requested the Commission to propose measures for aligning the amount of the grant on the revised scale of termination indemnities which the Assembly had approved by the same resolution. The Commission informed the General Assembly in its third annual report 41/ that it had noted that the terms of the grant were not uniform in all organizations; moreover, it was not convinced of the rationale of aligning the amount of the grant on that of the termination indemnity; it therefore intended to examine the question further in the context of its study of other end-of-service entitlements.

189. At the seventh session, the representatives of the executive heads proposed a common scale to be adopted by all organizations which would not differentiate in the amount of the grant on the basis of the type of appointment held by the deceased staff member (as would be the case if the scale of termination indemnities were followed). The minimum grant would be three months' net salary payable in case of death in the first three years of service (provided the staff member held an appointment for at least one year or had completed one year's service). After four years of service, the amount of the grant would be equal to four months' net salary and so on, up to a maximum of nine months' salary after nine years of service (compared with the maximum of 12 months for the termination indemnity). The grant would be payable if there was a surviving spouse, dependent child or recognized secondary dependant.

190. The Commission welcomed the move of the organizations to adopt a uniform practice. It noted that the arrangements proposed were more generous than those at present in force in the United Nations and in five other organizations which followed the same practice, in that the minimum of the grant would be increased from one month's salary to three months' (the maximum remaining unchanged) and that secondary dependants would become eligible. On the other hand, the maximum would be increased for the remaining organizations, which at present have a minimum of three and a maximum of six months. The Commission was prepared to accept that, in order to avoid any problem of acquired rights or transitional measures in respect of this particular entitlement, the uniform solution should not be less favourable than either of the two existing provisions.

191. It was observed that the justification for the progressive character of the grant, according to length of service, could be questioned, as for the repatriation grant, on the grounds that the needs of the survivors of a staff member who had

been in service for only a short time might well be no less than those of the survivors of a long-service staff member. The Commission considered whether a grant of a flat amount of, say, six months' pay would not be more appropriate; on balance, however, it accepted the contention of the organizations that the problems of relocation and adaptation were likely to be greater the longer the family had been in international service and so retained the progressive scale of the grant.

192. The justification for the death grant was also questioned on the grounds that no corresponding provision existed in the comparator service, the United States Civil Service. The Commission noted that the United States Civil Service met its social liability to the survivors of employees who died in service in a different way, by contributing one third of the cost of the premium of compulsory life insurance coverage. The minimum amount insured was one year's salary (compared with a maximum of nine months' salary in the case of the death grant). Group life insurance schemes existed in a number of the organizations of the common system, but they were voluntary, and the full cost of the premium was borne by the staff member. It was estimated that if the organizations were to follow the pattern of the United States Civil Service, and to bear one third of the cost of premiums for coverage of the equivalent of one year's salary, the annual cost would be of the order of $1,400,000 (compared with a cost of approximately $400,000 for the death grant in 1977, for all organizations and all sources of funds). The Commission concluded that self-insurance was in this case to be preferred to commercial insurance.

193. Pending a possible review at a later date of the whole of the social security protection offered by the common system, the Commission, consequently, was of the opinion that the death grant, once its rates and conditions had been standardized in the way recommended by the executive heads, constituted a reasonable and economical means by which the organizations could meet a social obligation towards the survivors of an employee who died in service, which obligation was recognized by most employers (including the comparator national civil service) but which became even more important in the case of a staff which was predominantly expatriate.

194. The Commission, accordingly, recommends that the grant payable to the survivors (spouse, dependent children or recognized secondary dependant) of a staff member who dies in service when he held an appointment for at least one year or had completed at least one year's service be calculated as follows:

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<tr>
<th>Completed years of service</th>
<th>Months of pensionable remuneration less staff assessment</th>
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<td>0-3</td>
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42/ Estimate based on premium cost of group life insurance scheme of the United Nations.
3. Deferred entitlements

Payment in lieu of unused annual leave

195. The staff regulations of all the organizations provide that staff members earn entitlement to annual leave at the rate of two-and-a-half days per month, or 30 working days (six weeks) per year. Leave which is not taken in the year in which it is due may be carried forward to the following year subject to a maximum which may be carried forward of 60 days. Upon separation, the staff member is entitled to receive payment in lieu of any balance of unused days of annual leave which he has to his credit, up to the maximum of 60.

196. As CCAQ pointed out to the Commission, this entitlement is not, strictly speaking, a terminal benefit like the others defined in terms of a specified purpose which it is intended to serve. It is included here solely because the payment which the staff member may receive constitutes part of the total sum of money which he receives on separation.

197. The Commission inquired into the justification for staff members being able to carry forward unused annual leave entitlements from one year to the next and so acquiring an entitlement to a cash payment upon separation. It affirmed that, as a general rule, leave should be taken in the year in which it was due, in the interest of maintaining the standards of health and efficiency of the staff and so as to permit the orderly planning of replacements of staff absent on leave; it urged the organizations to take measures to encourage and facilitate that being done. At the same time, it recognized that to rule that any leave not taken in the year in which it was due be forfeited would be excessive. It would be prejudicial to expatriate staff who might legitimately wish to accumulate their entitlement so as to take as much as possible when they travelled on home leave. There were also valid circumstances in which a staff member could not be authorized to take the full amount of his annual leave on account of the "exigencies of the service", such as an exceptional workload, absence of other staff or, in field projects, the calendar of work of the project. In those circumstances, it was equitable that the staff member be allowed to carry forward the unused leave, subject to administrative control to ensure that the deferral was reasonable and to placing limits both on the proportion of the annual entitlement which could be carried forward and on the maximum carry-over. In this connexion, the Commission found that the existing limit on the maximum carry-over which could be carried forward was satisfactory, in relation, inter alia, to national practice. It recommends that those organizations which do not have in their rules a provision to the effect that not more than 15 days may be carried forward from any given year should include it, at least for staff in headquarters and established offices, with the result that at the time of separation the staff member may have an entitlement of up to 60 days' annual leave. To require him to exhaust his leave entitlement before the date foreseen for his separation or to extend his

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43/ The rules of most organizations (but not the United Nations) specify, in addition, that not more than 15 days may be carried forward from any one year; that is to say, if the staff member does not take half of his entitlement within the year, he forfeits it. He is thereby encouraged to take leave (which is provided for "the rest and refreshment" of the staff) and discouraged from accumulating all his entitlements in his last years of service so as to receive payment for them.
appointment by the corresponding number of days could often be counterproductive, for example, when it resulted in the interruption of work of a continuing nature; extending the staff member's appointment would, moreover, be more costly, since he would then be paid the full amount of his remuneration, including post adjustment and allowances, whereas the payment in lieu of annual leave was made in terms of net pay (i.e., pensionable remuneration less staff assessment), exclusive of post adjustment and allowances. The Commission therefore sees no reason to change the existing provisions.

198. The Commission noted that it was the practice that, if a staff member died in service, the amount which would have been due to him in lieu of unused annual leave was paid to his eligible dependants. While the rationale for that practice might be questioned on the ground that the payment was intended to compensate the staff member for the loss of rest time which he had not been able to enjoy, the Commission was of the view that the concept that leave was an entitlement and not a favour was sufficiently clear in the regulations and rules to support the interpretation that the compensation for non-exercise of the entitlement could be passed on to the staff member's surviving dependants. It was also not unreasonable to think that, if the staff member had been deprived of leave, in many cases his or her dependants might also have suffered thereby.
4. Cumulation of entitlements

199. The Commission examined carefully the concern which had been expressed in the course of the discussion in the Fifth Committee at the thirty-first session of the General Assembly that the total amount of money which a staff member might receive on separation if he qualified for several different entitlements might be deemed excessive. It had been suggested that a ceiling might be placed on the aggregate entitlement, in terms of the equivalent of a given number of months of the staff member's own salary or of the salary of a selected grade.

200. The Commission recognized the validity of the concern that a staff member should not be given on separation a sum of money out of proportion to his earnings while in service or his length of service. It noted, in the first place, that the conditions of eligibility and the rates for each of the entitlements were precisely defined in the staff regulations; the only matters left to the discretion of the executive head were the exact amounts, within prescribed limits, of the termination indemnity in case either of termination on grounds of unsatisfactory service or misconduct (up to one half of the standard amount) or of agreed termination (up to one half above the standard amount). The matter thus clearly concerned the formulation of the regulations rather than their interpretation.

201. Secondly, the Commission recalled that it had examined each of the separate entitlements which a staff member might have on cessation of service and had concluded that the specific purpose which each was designed to fulfill was justified and that the amounts and conditions were appropriate. To impose a ceiling on the aggregate amount of a staff member's entitlements would be to cast doubt on the intrinsic justification for each of them. The termination indemnity had a special status as compensation legally due for the unilateral breaking by the employer of a contractual engagement; to place a limit on an aggregate of payments including termination indemnity might be construed as reducing the amount of that indemnity and might be challenged before the administrative tribunals. Similarly, the inclusion of repatriation grant in the calculation of an aggregate ceiling would be prejudicial to expatriate staff; an expatriate staff member and a non-expatriate staff member with the same service characteristics and separated in the same conditions might, by the application of a ceiling, receive the same aggregate payment. The special circumstances of the expatriate staff member upon separation would then not have been taken into account and the very reason for the existence of the repatriation grant would be defeated.

202. The Commission thus came to the conclusion that each separation entitlement was designed to fulfill a specific purpose; the cumulations of entitlements which could occur were rationally justified; given the intrinsic justification for each entitlement; and to pay a staff member less than the aggregate of the amounts to which he was entitled under the different rules would be of dubious legality and rationality and might result in inequitable treatment of some staff members.

203. The Commission further noted that the maximum amount to which any staff member could possibly be entitled is 22 months of salary (i.e., 12 months of termination indemnity or end-of-service grant; 28 weeks or seven months of repatriation grant; 60 days or three months of accrued annual leave). To reach this level, the staff member must have been employed for at least 15 years and then to have been terminated or not reappointed; in either event his employment would have been unilaterally and probably unexpectedly interrupted after he had spent at least half his working life in the service of the organization; he would have to be serving away from his own country and to have a dependent spouse or children.
204. Considering that this entitlement is a maximum, attainable only in the most extreme cases, the Commission does not find it excessive. Comparing the situations of a United States civil servant and a United Nations official likewise serving in his home country, United Nations termination indemnity is more favourable than United States severance pay at lengths of service up to 30 years (but the United States civil servant is entitled to unemployment benefits), but at 30 years the entitlements are identical; while the United Nations official may be paid for 60 days unused leave, the United States civil servant may not accumulate more than 30 (but his unused sick leave is added on to his pensionable service).

205. Finally, a suggestion was made to the Fifth Committee that entitlements of the highest level officials of the secretariats should be limited by restricting them to the amounts payable, for example, to a D-2. Most officials at the highest levels are employed for relatively limited numbers of years on fixed-term appointments and their entitlements in case of termination – an infrequent occurrence – would be correspondingly small. It does not therefore seem necessary to lay down special regulations for so small a number of cases.

B. Education Grant

206. In the report it submitted to the General Assembly at its thirty-first session on the review of the United Nations salary system, the International Civil Service Commission recalled briefly the history of the education grant and examined the different aspects of the conditions and terms of the grant which had been brought to its attention. In conclusion, it had made two recommendations: one, regarding the scale of reimbursement of approved costs, which was approved by the General Assembly (resolution 31/141 B, sect. I, para. 10); the other, to remove the bar on reimbursement of costs of attendance at a university in the country of the staff member's duty station. This second recommendation has not been accepted by the General Assembly, which, in its resolution 31/141 B, had requested the Commission "to re-examine in the light of the views expressed in the Fifth Committee at the current session ... (c) the need for an allowance for post-secondary education of children of expatriate staff and, in particular, the need for an allowance to cover education in countries other than the home country of the staff member".

207. When it took up this question at its seventh session, the Commission had before it a document submitted by CCAQ which recalled the rationale for the introduction of the education grant and for the successive changes made by the General Assembly in its conditions, in particular with respect to the levels of education covered, the places where the child might be educated and the age limit for eligibility. CCAQ also drew attention to the effect which floating currencies and in particular the depreciation of the United States dollar had on the value of the grant in the different currencies in which expenses were actually incurred by staff members and reimbursement made to them.

208. The representative of FICSA recalled that the staff had previously expressed their support for the extension of the education grant to university studies in the

country of the staff member's duty station, as well as for the raising of the age limit, for measures to protect the local currency value of the grant and for the aggregating of costs for two or more children of the same staff member. He emphasized the importance attached by the staff to the principle that a staff member should not be forced by financial constraints to educate his children in a way which did not accord with his own culture and language and which would not enable them later to continue life in their parents' home country. He also referred to the special importance of the education grant for staff stationed away from headquarters duty stations.

209. The Commission examined the statements made by the representatives of the 11 Member States who had referred to the question of the education grant in their interventions in the Fifth Committee at the thirty-first session of the General Assembly. It noted that most of those speakers who first opposed the extension, recommended by the Commission, to university studies in the country of the staff member's duty station did so because they saw in that proposal one further step in a progressive broadening of the scope of the grant which had been going on since 1946 and had taken it far from its original purpose to the point, they feared, where parents were being relieved by means of the grant from their normal responsibility for the education of their children. Some of the speakers had urged that the assistance given to parents by the education grant of the common system should be compared with that provided by national civil services and suggested that such assistance rarely extended to post-secondary education; the assumption of national foreign services which provided assistance for primary and secondary schooling of children of their expatriate staff was that the child could return to his home country for his post-secondary education.

210. In so far as the objections related to the Commission's specific proposal regarding the extension of the conditions of eligibility for the grant for post-secondary studies, some members of the Commission remarked that those objections did not reflect accurately the situations and preoccupations of countries of the third world, for example in their assumption that facilities for post-secondary education always existed in staff members' home countries. That was not so and it was common practice for many young people from developing countries to go abroad for their higher education; a rule which limited eligibility for the education grant for higher education to studies in the staff member's own country would discriminate against staff members coming from such countries.

211. The Commission recognized, however, that the doubts expressed by the representatives of some Governments indicated the need for it to re-examine the evolution of the conditions of eligibility for the education grant over the past 30 years in terms of the conceptual justification for the existence in the United Nations system of such a grant.

1. Evolution of the scope of the education grant

212. It is clear that from the beginning the purpose of the grant has been very precisely defined, i.e. to help staff members meet the extra costs which they incur for the education of their children specifically as a result of their expatriation in United Nations service. There has thus never been any intention of relieving parents of the responsibility they would normally bear for the education of their children; the grant is available only for those expenses which the parent would not have had if he had remained at home in national service. Entitlement to the grant has always been strictly limited to expatriate staff members, those serving outside their own country. This condition alone, however, does not suffice to
ensure that the expenses covered by the grant are only those directly occasioned by expatriation; the intention is not that, because a staff member is expatriate, all that he spends on the education of his children shall become eligible for reimbursement, but only the additional expenses he incurs as a direct result of expatriation and which he would not have incurred had he lived in his own country. The problem, then, is by what criteria these additional expenses should be identified.

213. The Commission has no doubt at all that the education grant can be justified only in connexion with expatriation. In most countries, education is subsidized by the State; international civil servants living in their own country can share in the benefit of that subsidy in the same way as other citizens; only when they are living outside their own country may it no longer be possible for them to benefit from the subsidy provided either in their own country or in the country of their duty station. In such circumstances, national governments, as employers, usually provide assistance to their expatriate employees through allowances or grants to compensate for the loss of the benefit of state-subsidized schooling and for the other extraordinary expenses incurred by the parent. The United Nations system does likewise, and the grant is thus clearly an expatriation benefit. Were it not to be so, if the grant were to be payable to non-expatriate staff, as well as to expatriate, its character would have to be seen differently, as a social benefit and an element of remuneration to be taken into account in the "Noblemaire comparison" or in relation to "best prevailing local conditions" - but one for which no parallel could be found in the comparator country.

214. The basic justification for making special provision for the education of children of expatriate staff has always been to enable the parents to educate their children, if they so desire, "in such a way that they do not become alienated from their national system of education" and "are able to fit naturally into the life of their own country, when they return to it, whether for further education, to take up employment, or in any other way to make a life for themselves". 45/ This may entail schooling in the language of the home country or in accordance with its curriculum (for example, so as to facilitate later entry into a university of the home country). Beyond these practical considerations lies the parent's right to have his children educated in a fashion compatible with his own religious, philosophical or political beliefs and with the culture of his own country. From the point of view of the organizations, it would be a serious obstacle to recruitment of staff for international service if candidates were not assured that the organization would provide some assistance to these ends. Still less would it be desirable that the children of international civil servants should develop into a cosmopolitan class deprived of national roots.

215. At first, the purpose of the education grant was seen to be essentially to assist parents in having their children educated in their mother tongue; the grant was paid (in a flat amount) in respect of children who were sent back to the home country, except that (from 1947) it was also allowed for attendance at special national schools or international schools in the area of the duty station, but only for children below the age of 11 or who were unable for health reasons to be sent back to their own country. By 1954, it had become apparent that these conditions were unduly restrictive and, in particular, conflicted with the legitimate desire

45/ Quoted from the 1955 report of ICSAB, CO-ORD/CIVIL SERVICE/6, reproduced in A/2996.
of parents not to be separated from their children during their formative years. On the basis of a report prepared by the International Civil Service Advisory Board (ICSAB), the General Assembly, by its resolution 974 (X) of 1955, approved measures by which the scope of application of the grant was extended to schools in the country of the duty station and to schools in other countries “whose system of education is substantially the same as in the staff member’s home country and whose language is that of the home country”; examples given in the report were an Australian stationed in Paris who wished to send his child to school in England or a Chilean in Geneva who sent his child to school in Spain. By extension, a special national school or international school outside the duty station country could also be admitted if none were available at the duty station. If the language of the duty station country was the same as that of the home country, the grant would be payable only for studies in the home country or at a special national school or international school in the duty station country. Discretion was left to the executive heads to decide on “the application of the basic principles to individual cases” and, in particular, to decide which special or international schools would be deemed suitable for the purposes of the grant.

216. Thus, by 1955, two significant changes had been made in the original conception of the grant. First, the strong emphasis on instruction in the mother tongue was replaced by a broader concept of education which would enable the children to be reassimilated into the life of their own country; thus studies at international schools or at schools in countries with similar educational systems to the home country were admitted in addition to studies in the home country or in special national schools. Second, in order to allow parents an alternative to breaking up the family unit by sending children away to boarding school, studies in the duty station country were admitted more freely.

217. The concept of “recognized schools” which was implicit in this system soon began to give rise to difficulties. The requirement that, before the grant could be paid for attendance at any educational institution other than one in the home country, the executive head had to approve that institution as being one which would meet the purpose of the grant was resented by parents as an interference with their right, in the terms of article 26 of the Universal Declaration of Human Rights, “to choose the kind of education that shall be given to their children”; and it was equally a source of difficulties to the administrators who had to exercise the power of determination without necessarily feeling themselves more competent than the parents to judge what was best for their children.

218. As a result of the criticism of the system on this score, the General Assembly in 1961, on the proposal of ACC, approved a different principle, whereby the payment of a flat grant in approved circumstances was replaced by partial reimbursement of the expenses which expatriate staff members incurred in the education of their children, irrespective of whether the school chosen by the parents was located in the home country, the country of the duty station or a third country. In other words, instead of considering that the choice of a certain kind of education was imposed upon the staff member by the fact of his expatriation and paying a grant towards the cost of that education, the new principle answered the question, "What part of the costs can be deemed to be due to expatriation?"

46/ The report, prepared in response to a request by the General Assembly in its resolution 883 (IX), was submitted under cover of a report by the Secretary-General (A/2996).
by reimbursing only a fixed proportion of the costs wherever incurred. It may be surmised that an additional consideration in favour of the adoption of this new approach was that the system of a fixed-amount grant assumed that the grant would be sufficient to cover the expenses which were admitted as resulting from expatriation; but education costs had risen steeply since 1946, when a grant of $144 has been found adequate, and also varied widely between different countries.

219. It is thus clear, as was pointed out during the discussion at the Fifth Committee at the thirty-first session, that the concept of the education grant has changed and broadened since 1946. The Commission has attempted to assess whether the successive extensions which the General Assembly approved in previous years are still justified in the circumstances of today. It is taken for granted that the basic entitlement, for education in the staff member's home country, gives rise to no objection. The Commission is convinced that studies in the country of the staff member's duty station are equally worthy of assistance, in the interest of enabling staff members to keep their children with them during their school years. This is obviously desirable from a social standpoint; it is also no less effective in ensuring that the children are brought up in the culture of their own country than would be sending them to boarding school there, considering that the family is even more important than the school as a replicator of culture. The Commission believes that the parent must have the possibility, while keeping his children with him or her, of choosing for them an education which will make their ultimate reassimilation into the home country easier than if they had been educated in the national schools of the duty station country and which may also reduce the inconveniences of changes from one educational system to another when the parent is transferred from one duty station to another. The Commission is satisfied that, in contributing to the costs of such education at international schools or other special schools at the duty station, the organizations are properly compensating for additional expenses occasioned by expatriation and are not relieving the parents of their normal responsibility, the more so as only a proportion of the costs actually incurred are reimbursed to the staff member.

220. The principal criticism of the existing arrangement has been that, by meeting part of the costs of schooling in a third country, neither the home country nor the duty station country, it is, in some cases, enabling parents to obtain for their children an education which, whatever its other merits may be, is not directly related to the purpose of facilitating the eventual reassimilation of the child in his or her own country. This criticism clearly does not apply to cases where the child is sent to a third country with an educational system similar to that of the home country but less distant from the duty station than the home country (e.g., the child of the Australian in Paris sent to school in England) or to an international school in a country close to the duty station where there is no suitable school in the duty station country itself (e.g., the child of an English-speaking staff member in Madagascar who is sent to a boarding school in Nairobi). In such cases, not only is the education obtained compatible with the purpose of reassimilation in the home country but the cost for the organization is much less than if the child had been sent back to the home country. The justification may be less clear, however, when the place chosen by the parent for the education of his child is neither the home country nor a country closer to the duty station where education similar to that of the home country can be obtained, for example, a staff member from a country of Asia where the second language is English, stationed in Europe, but who chooses to send his child not to his home country nor to England nor to an international school at or near the duty station but to Canada or the
United States. It can be argued that the education so obtained may be extremely valuable to the child in his future life in his own country, the proof being that many other parents of that country would like to be able to get the same education for their children; but, in so far as the cost to the organization is greater than it would have been if the child had been educated either in the home country or the duty station country, the organization is going beyond meeting the extra expenses due to expatriation and is contributing to a more expensive formula chosen by the parent. It might be suggested that in such a case the organization should not reimburse more than it would have done for studies in either the home country or the duty station country; but it would be practically impossible to estimate such hypothetical costs, and precisely the same kind of difficulty in determining entitlement as was experienced with the previous formula would be likely to arise (e.g., if in the example given above, the staff member had been previously stationed in North America, his choice of sending or continuing to send his children to school there might well be deemed valid).

221. While recognizing, therefore, that in this one instance the existing rules may permit some cases which go beyond the recognized purposes of the grant, the Commission believes that the complication of making rules which would exclude such exceptional cases would not be justified by the gain, conceptual or financial, of closing every conceivable loophole.

222. With this one possible exception, the Commission is satisfied that the extension of the scope of application of the education grant which has occurred since 1946 as regards primary and secondary education is justified. Rules which provided assistance for studies only in the staff member's home country would not be in line with conditions in 1978 and would not be acceptable in that they faced staff members with the alternative of being separated from their children or of not being able to benefit from the grant. By imposing no restriction on the place where the primary or secondary schooling is to take place, the rules respect the right of parents to choose themselves the kind of education they judge most suitable for their children and avoids the charge of unwarranted interference by administrations in their choice. By the rules which define the categories of expenditure eligible for reimbursement and, above all, by the scale of reimbursements which ensures that the staff member always bears a substantial proportion of the expenditures, the system ensures, in effect, that the staff member is not relieved of his normal responsibility to provide for the education of his children and is assisted only with the extra expenses attributable to his expatriate status. The grant retains its character as a benefit linked exclusively to expatriation, and, as such it is comparable with the corresponding provisions made by national Governments for their expatriate employees.

223. Finally, the Commission finds no merit in the charge that the education grant discriminates against non-expatriate staff in that they are not eligible for it as their expatriate colleagues are. The expenses which a non-expatriate staff member of the organizations, serving in his own country, has to bear for the education of his children are no different from those of any other citizen. There would be no basis in terms of national practice for the organizations to provide him with financial assistance for this purpose, since neither public sector nor private sector employers, as a rule, contribute to the educational expenses of their non-expatriate staff. Moreover, it must not be forgotten that the non-expatriate staff member is benefiting from a salary scale designed to meet the needs of expatriates.
2. Post-secondary studies

224. The second question posed to the Commission by the General Assembly concerns "the need for an allowance for post-secondary education of children of expatriate staff". This is linked to some extent to the question of the upper age-limit of eligibility for the education grant, which the Commission had previously considered. 47/

225. The occasion for the General Assembly's request was the Commission's recommendation for the removal of the present exclusion of university studies in the country of the staff member's duty station from eligibility for reimbursement under the terms of the grant. It may be preferable to deal with this issue first, before turning to the broader question of the admissibility of post-secondary studies as a whole. The exclusion of university studies in the duty station country was decided in 1961 when, as described above, the conditions limiting the choice of country for other studies were relaxed. The reasons for the exclusion are not clearly set out; it would appear to have been motivated by the feeling of non-expatriate staff in one particular duty station that it would be a discrimination against them if expatriate staff in the same duty station received a grant to send their children to university at the duty station while the non-expatriate staff did not. The rebuttal which the Commission has made above of the charge that the education grant in general discriminates against non-expatriate staff applies with equal force at the post-secondary level. The irrationality of the exclusion and its counter-productive effects were pointed out by the 1971-1972 Special Committee and by the Commission in 1976: families are unnecessarily separated in order to benefit from the grant and the costs for the organizations are higher, not lower. For example, an expatriate staff member stationed in New York may send his child to university in Canada or in Europe instead of in New York in order to be eligible for the grant; in addition to the tuition fees, the cost thus includes education grant travel which would not otherwise have been payable.

226. The consensus of the Commission, therefore, was that, if university studies continued to be recognized for the purpose of the education grant and studies in both the home country and third countries were admitted, it would be illogical and counter-productive to continue to exclude university studies in the duty station country. Subject, therefore, to the conclusion which may be reached on the more fundamental question dealt with below, the Commission recommends that this exclusion be removed.

227. Turning to the justification for assistance to post-secondary studies in general, the Commission observed that university studies had always been eligible for financial assistance under the education grant. The regulations adopted by the General Assembly at its second session in 1947 provided for payment of the grant in respect of children up to the age of 18 at school and up to 22 at university. At that time, children's allowance also was payable up to the age of 22 if the child was in full-time attendance at a university. In 1950, the General Assembly had decided, on the advice of ACABQ, that both the children's allowance and the education grant should cease at the age of 21, "the normally recognized age of maturity". The linking of the age-limits for the two entitlements and the concept

of "maturity" had, over the years, lost the relevance they might once have had; in many countries, the legal age of maturity was now less than 21, though university studies almost always continued beyond that age.

228. On the other hand, since 1968, successive review bodies had pointed out that the age-limit of 21 years for the education grant bore little relation to the pattern of higher education in most countries: at 21, most students were likely to be in the middle of their post-secondary studies, working towards the attainment of a first degree. It had therefore been urged that a more rational and realistic solution would be to continue the grant up to the end of the fourth year of university studies or until the award of the first recognized degree, whichever occurred earlier. 48/ The Commission itself had devoted considerable thought to this question in 1976. 47/ It had recognized that the existing age-limit of 21 years did not, in most cases, provide for the completion of university studies. On the other hand, doubts were expressed as to the number of years for which the organizations should continue to assist the education of children of expatriate staff; in some cases, where secondary studies were completed only at age 20 or later, or where a period of national service intervened between secondary and post-secondary studies, the student might well be 25 or more years old before completing four years of university studies or obtaining a first degree. Some members of the Commission doubted whether the purposes of the education grant required that the organizations continue to bear a responsibility for extraordinary expenses due to the parent's expatriate status in respect of young people of that age.

229. The Commission observed that, while primary and secondary studies were in most Member States free, compulsory and universal, post-secondary studies were not. Undoubtedly access to higher education had been vastly expanded since 1946; it was no longer reserved to an élite and a university degree was a prerequisite for entry to many types of employment. These, however, might be said to be social considerations which would be relevant to the education grant if it was conceived of as a social benefit and, as such, would be applicable as much to the children of non-expatriate staff members as to those of expatriates. The Commission had therefore sought to confine its consideration to those elements which related directly to expatriation.

230. In that light it considered the argument that the direct purpose of the education grant, namely, that of facilitating the reassimilation of the child of a staff member into his home country, would be best served at the post-secondary level if the child studies in the home country; and that the expenses in that case would not be substantially greater for the expatriate parent than for any other citizen of the country, apart from boarding costs and education grant travel to enable the student to rejoin the parents during the vacation. (On the other hand, it was pointed out that it was far from certain that the educational costs for expatriate parents would not be greater than those of other citizens of the country; in many countries the tuition fees for non-residents were higher than those for residents.) It was indeed proposed by some members that the entitlement to education grant for post-secondary studies should be limited to studies in the home country. However, the majority of members believed that such a limitation would run counter to the pattern prevalent in many States, particularly developing

48/ See, for example, the report of ICSAB in 1968 (ICSAB/XVI/1, para. 69) and that of the Special Committee in 1972 (A/8728, vol. I, para. 316).
ones, where students frequently went outside their own country for post-secondary studies. To oblige parents from these countries to renounce this practice in order to benefit from the grant would be seen as self-defeating, even discriminatory. To deal with such cases as exceptions was not considered a satisfactory solution either and it was pointed out that there would certainly be other valid claims for exceptions, for example in respect of children who, on account of their parents' expatriation, had done their primary and secondary studies in an educational system different from that of the home country.

231. The Commission therefore concluded that if the General Assembly since 1946 had decided that post-secondary studies up to a certain age-limit should be eligible for reimbursement under the education grant, it would have to have very strong reasons for recommending now a change in that constant policy. No such reasons had been advanced; on the contrary, in light of the general trend towards expansion of post-secondary education referred to above, it would be anomalous to adopt a position more restrictive than that of 30 years ago.

232. In reaching that conclusion, the Commission did not overlook the fact that many national governments, including that whose civil service was taken as the comparator for salary purposes, did not provide assistance (other than travel grants) for the post-secondary studies of children of their expatriate staff. However, the Commission was of the opinion that such comparisons must be made with caution, particularly where post-secondary studies were concerned, because the patterns of expatriation of such national officials and international civil servants were often significantly different. The diplomat was transferred from country to country more regularly than most international civil servants and, from time to time during his career, might serve for a period in his home country; his children were likely thereby to maintain closer ties with the home country than children of international civil servants, who were often brought up entirely outside their parents' country; and the diplomat's children were thus also perhaps more likely to go, as a matter of course, to university in the home country. Subject to this proviso, it might be noted that the United States Civil Service provided no assistance for post-secondary studies except one round-trip travel per year to visit the parents. Of a number of other countries surveyed, one (Switzerland) paid an education grant more generous than that of the United Nations common system up to the age of 25 in case of full-time attendance at an institution of higher education. Denmark had conditions similar to those of the common system. Canada paid only a boarding allowance for post-secondary education. The Federal Republic of Germany, Japan, the Netherlands, Sweden and the United Kingdom appeared not to cover expenses of post-secondary education. A majority of other international organizations, however, did so.

233. The Commission further concluded that studies in the duty-station country and in a third country should be recognized equally with those in the home country, for the reasons given above. The extra expenses which the parent would have to bear in either the home country or the duty station country were clearly the consequence of expatriation; if it could be said that the parent would have incurred some of these expenses anyway even if not expatriate, it must be remembered, on the other hand, that the education grant only compensated for part of the expenses, barely
half of them at the upper limit while expenses above that limit were not reimbursed at all. 49/ As to the expenses incurred in a third country, they might or might not be higher than those which the organization would have borne if the studies had been made in the home or duty station countries but again the considerable proportion of the expenses which remained at the staff member's charge was an effective disincentive to the choice by the parent of an unnecessarily expensive solution to the problem of his child's education.

234. The Commission, having thus reaffirmed that post-secondary studies should continue to be eligible for reimbursement under the education grant, repeats the recommendation it made to the General Assembly at its thirty-first session that the existing exclusion of such studies in the duty station country should be removed, as illogical and counter-productive. The Commission also re-examined the question of the upper limit of eligibility for the grant. Many members believed that the replacement of an age limit by the formula "up to the end of the fourth year of post-secondary studies or the award of the first recognized degree, whichever is the earlier" would be the most logical and realistic solution. The Commission was aware that there were great differences in the average ages at which the different levels of studies were completed in different countries and was concerned not to adopt any formula which might prove unfavourable to parents coming from countries where both secondary and post-secondary studies tended to end later than in the countries of Europe and North America. It therefore decided to study this question further from both statistical and pedagogical standpoints, and meanwhile to recommend no change in the existing age limit of 21 years (together with the existing provision that, in case of interruption of studies for at least one year by illness or for national service, the limit may be exceptionally extended by the amount of the interruption).

235. According to the estimates provided by CCAQ, it could be expected that about 80 children in respect of whom grants were paid in 1976-1977 for attendance at a university elsewhere would transfer to a university in the country of the parents' duty station, usually with a reduction in costs. On the other hand, some 150 children in respect of whom no grant was currently payable would become eligible. On the basis of the average payments made for university education (exclusive of education grant travel) of $1,280 under the regular budgets and $764 under extrabudgetary funds, additional expenditure of the order of $200,000 could be expected. CCAQ had however asked to be given an opportunity to review these estimates. Any revised figures so provided will be included in an addendum to the present report.

3. **Amount of the grant and method of reimbursement**

236. The General Assembly approved at its thirtieth-second session, on the
recommendation of the Commission, a degressive scale of reimbursement of approved education costs, by which 75 per cent of the first $2,000 of costs, 50 per cent of the next $1,000 and 25 per cent of the fourth $1,000 are reimbursed, giving a total maximum reimbursement of $2,250 for $4,000 expenses. The Commission finds no need to propose any change in this scale at present.

237. Its attention, however, has once again been drawn by the representatives of both the executive heads and the staff to the effects of exchange rate changes on the value of the grant in terms of the currency in which the educational expenses are actually incurred. Most of the staff member's expenses are incurred in the country where the child is being educated - home country, duty-station country or third country - and are fixed in the currency of that country. The ceilings of the grant, however, are expressed in United States dollars. When significant changes in the relationship of the local currency to the dollar occur, the amount the staff member receives in reimbursement in local currency at the end of the school year may be less than the corresponding proportion of the amount he had actually expended in local currency; for example, a staff member having expenses equivalent to $4,000 at the rate of exchange prevailing at the time they were incurred, would expect a reimbursement equivalent to 56 per cent of his expenses, but if the local currency appreciated by 10 per cent in relation to the dollar in the course of the year, the reimbursement he would receive would correspond to only 50.6 per cent of his expenses. In extreme cases, this might even invalidate the calculation which the staff member had made of his ability to pay to keep his children in a certain school. Furthermore, while educational costs are unlikely to decline in local currency, the amount which the staff member receives in reimbursement in local currency may decrease from year to year. CCAQ provided the following figures to illustrate this:

<table>
<thead>
<tr>
<th></th>
<th>1 January 1977</th>
<th>1 January 1978</th>
<th>Loss (-) or gain (+)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exch. rate $1 =</td>
<td>Local currency equivalent</td>
<td>Exch. rate $1 =</td>
</tr>
<tr>
<td>Geneva</td>
<td>SwF 2.44</td>
<td>SwF 5,490.00</td>
<td>SwF 2.01</td>
</tr>
<tr>
<td>London</td>
<td>£0.585</td>
<td>£1,316.25</td>
<td>£0.519</td>
</tr>
<tr>
<td>Paris</td>
<td>F 5.00</td>
<td>F 11,250.00</td>
<td>F 4.80</td>
</tr>
<tr>
<td>Rome</td>
<td>Lit 865</td>
<td>Lit 1,956,250</td>
<td>Lit 875</td>
</tr>
<tr>
<td>Vienna</td>
<td>S 17.00</td>
<td>S 38,250.00</td>
<td>S 15.10</td>
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Thus, in one year, the value of the grant declined by between 4 and 17.6 per cent in four duty stations and rose by 1.2 per cent in another. In January 1973, the maximum amount of the grant was $1,500, which then represented SwF 5,700; although
the maximum in dollars has been increased meanwhile by 50 per cent to $2,250, the value in Swiss francs has decreased by more than 20 per cent.

238. The Commission could not fail to recognize that it was anomalous that, in circumstances of generally rising costs, the value of the grant to staff members should show an actual decline in many of the currencies in which the costs it was intended to reimburse were incurred. Having analysed in detail a number of different situations, the Commission observed that, where the dollar had depreciated in relation to the local currency, the same level of education costs in local currency represented a larger dollar equivalent and so, by the application of the dollar ceilings on the successive brackets of the grant, the amount in local currency reimbursed to the staff member decreased, as did the value of the grant to him as a proportion of his expenses. The opposite would be true in case of devaluation of the local currency in relation to the dollar – except that in case either of a single sharp devaluation or of a succession of smaller devaluations the educational costs, particularly in international schools, were likely to increase faster than the benefit gained from the devaluation.

239. For that reason, the Commission discarded one possible solution which it considered whereby the ceilings of the successive brackets of the grant would be fixed in local currency at the amount produced by the exchange rate in effect on the date when the scale of reimbursements was last established by the General Assembly; that solution would correct the situation in cases of appreciation of the local currency against the dollar but would result in severe losses in cases of devaluation of the local currency and inflation of costs. Instead, the Commission preferred a solution which would ensure that the proportion of costs in local currency as reimbursed would not fall below the proportion which would apply if the costs were incurred in dollars. To achieve this, the Commission recommends that the General Assembly decide that when, for the purpose of applying the scale of reimbursements approved for the education grant, the expenses incurred by a staff member in a currency other than the United States dollar and of which he claims reimbursement, are converted into dollars, the rate of exchange used shall be whichever is the higher (i.e. yields more units of local currency for the dollar) of that which was in force at the date when the existing scale of reimbursements came into effect (i.e. in the present instance, 1 January 1977) or that in force at the date when the reimbursement was effected, the same rate used in converting the dollar amount to be reimbursed into local currency for payment.

240. The budgetary implications of this measure would obviously depend upon the evolution of exchange rates. Since its purpose was to protect staff members against losses which they had been incurring in situations where the local currency appreciated in relation to the United States dollar, there would be extra costs in those situations (which did not necessarily correspond to the location of the headquarters of the organization nor to the countries where staff were stationed but to the mix of countries where children of staff members were being educated). Where the currency of the country in which the child was being educated depreciated in relation to the dollar, there would be a saving for the organization, were the level of education costs to remain constant, and those savings might offset the extra expenses incurred where the dollar weakened in relation to the local currency. If that were so, any over-all additional cost would be attributable to inflation rather than to the effects of this proposed rule; but the outcome, depending on the behaviour of the United States dollar in relation to a large number of other currencies, was unpredictable.
C. Special provision for disabled children

241. At its fourth session the Commission had noted with sympathy, in connexion with its examination of the education grant, the special case of handicapped children and had invited the organizations and the staff to provide it with additional information on this question. 50/ At its sixth session, FICSA presented to it a study based on replies it had received to a questionnaire which it had addressed to all staff members. The study concluded that the care of disabled children placed heavy burdens on parents and that many disabled children did not receive the appropriate special education due to lack of financial resources. It therefore proposed the introduction of a separate grant for the special education of disabled children together with provisions for the determination of eligibility and scales of reimbursement. At the same session, the representatives of the organizations warmly supported the humanitarian aims of FICSA's proposal, but recommended that further study be made of the question with a view to the possible submission of a recommendation to the General Assembly in 1978.

242. In its third annual report, 51/ the Commission noted that the consideration of the question was particularly timely in light of the General Assembly decisions, in resolution 31/169 of 21 December 1976, to proclaim 1979 as International Year of the Child, which resolution called special attention to the improvement of the well-being of children "in the most vulnerable and particularly disadvantaged groups", and in resolution 31/123 of 16 December 1976 to proclaim 1981 as International Year for Disabled Persons, which referred specifically to "helping disabled persons in their physical and psychological adjustment to society" and to "promoting all national and international efforts to provide disabled persons with proper assistance, training, care and guidance, to make available to them opportunities for suitable work and to ensure their full integration in society". The Commission gave general support to FICSA's proposal but noted that the details of its implementation called for further study, in particular by the organizations which it requested accordingly to comment on FICSA's proposal or present possible alternative proposals, together with detailed information on the administrative and budgetary implications. The Commission added that its intention was to submit a recommendation to the General Assembly at its thirty-third session, at which time it hoped it would receive the Assembly's sympathetic consideration.

243. Accordingly, the Commission considered the question again at its eighth session. At this time CCAQ presented it with detailed proposals for the introduction of a separate special education grant for disabled children and with an analysis of the administrative and financial implications. The proposals were similar to those made earlier by FICSA with the major exceptions that CCAQ suggested an age limit of 25 years and a maximum grant of $3,750 per child where FICSA had proposed that no limit be fixed for either. The organizations estimated that staff members paid under the regular budgets would be entitled to receive the grant in respect of about 90 children while under the extrabudgetary funds there would be some 50 eligible children. On the assumption that the maximum amount of the grant would be payable in nearly all cases, the cost of the grant in 1979 would be in the order of $300,000 under the regular budgets of the organizations and some $160,000 under extrabudgetary funds.


244. The representative of FICSA welcomed the CCAQ proposal although noting that its provisions fell somewhat short of those which the staff had proposed. While recognizing that a direct comparison in terms of the Noblemaire principle was not appropriate in this case, he remarked that the corresponding policy of the United States Civil Service for its expatriate staff went considerably further, by granting up to $6,950 per school year for a disabled child at the duty station and up to $10,250 per school year for a disabled child away from the duty station. FICSA urged therefore that the Commission should consider providing benefits that were as favourable as possible.

245. The Commission gave full support to the principle of providing special assistance for disabled children, noting the disadvantages of such children, the burdens of their parents and, in particular, the anomaly that many disabled children were not eligible for any assistance under the present provisions of the education grant. It considered that the most effective way of providing such assistance would be not to establish a special grant for this purpose but rather to amend the present provisions of the education grant to provide eligibility for disabled children of all staff members. Furthermore it was appropriate that such assistance be within the scope of the education grant as the overriding purpose of the assistance was to educate or train the child for a productive life and for full integration in society, as stated in the resolutions of the General Assembly. The Commission recognized, however, that the primary responsibility for the care of such children fell first upon the parents and the State and only then upon the organizations as employers. Accordingly, it concluded that the parents of disabled children should be required to first make use of all outside opportunities for assistance (as well as those provided by the organization's medical insurance plans) before turning to the education grant. It noted that with this stipulation the additional costs resulting from the extension of the education grant would be less than those originally estimated by CCAQ. In recognition of the added difficulty and longer period of time normally required to educate disabled children, the Commission decided that in the case of a disabled child the education grant should be payable up to the end of the year in which the child reached the age of 25 years.

246. The Commission therefore recommends that the General Assembly approve the extension of the conditions of the education grant to provide assistance for the education of disabled children of staff members in the following terms:

"Special provisions for the education of disabled children

A. The education grant shall be payable to any staff member whether expatriate or not in respect of his (her) child when the executive head has determined on the basis of medical evidence that the child is unable by reason of physical or mental disability to attend a normal educational institution and therefore requires special teaching or training to prepare him (her) for full integration into society or, while attending a normal educational institution, requires special teaching or training to assist him (her) in overcoming the disability. In order to receive the grant under these special provisions the staff member shall be required to produce evidence that he (she) has exhausted all other sources of benefits that may be available for the education and training of the child including those available from State and local governments and from the medical insurance plans of the organizations. The amount of expenses used in calculating the grant shall be reduced by the amount of any benefits so received."
B. The grant under these special provisions shall be payable from the date on which the special teaching or training is required up to the end of the year in which the child reaches the age of 25 years.

C. The amount of the grant under these special provisions shall be equal to 75 per cent of the educational expenses actually incurred up to $4,000, the maximum amount of the grant thus being $3,000.

D. For the purposes of these special provisions, 'educational expenses' shall mean such teaching services and equipment as are necessary to provide an educational programme designed to meet the needs of the disabled child in order that he (she) may attain the highest possible level of functional ability.

E. Other provisions of the education grant shall apply in the case of a disabled child except as modified in paragraphs A through D above."

247. Revised estimates of the budgetary implications of this measure in the terms in which it is now recommended by the Commission are being prepared by CCAQ and will be presented in an addendum to the present report.

D. Conditions of service of staff posted outside headquarters duty stations

248. The Commission described in its third annual report 52/ the study of the special conditions of service of staff posted outside headquarters duty stations (those sometimes referred to as "field staff") which it had decided to make. At its seventh session, it set out to identify, within the terms of the scope, purpose and method of the study which it had already defined, those aspects of the question to which it would address itself at the seventh and eighth sessions.

249. The Commission had before it a document presented by FICSA summarizing the problems, as perceived by the staff themselves, relating to conditions of service of staff posted away from headquarters duty stations, both internationally recruited staff (themselves subdivided into outposted regular staff of the organizations and advisory staff in projects) and locally recruited staff. Suggestions were made for solutions to a number of problems seen as immediate for the former category, as well as a longer-term approach to career prospects and remuneration of experts. The President of FICA in presenting the document (which was the result of an extraordinary session on field problems held by the FICSA Council), recognized that the subject covered staff of many different kinds and in many different situations but urged the Commission not to get bogged down in questions of definition; there were clearly identifiable problems affecting specific categories. Some of FICSA's suggestions were addressed to the administrations but others required action by the Commission. FICSA looked forward to such action on the more immediate problems and would be ready to provide information and views on the longer-term issues.

250. After hearing the views of CCAQ and of the representatives of a number of the organizations and having held a full discussion, the Commission recognized

52/ Ibid., paras. 214-217.
that the problems arising in connexion with staff serving away from headquarters
duty stations were extremely varied, some of them being specific to certain types
of assignment, others to certain locations; others (particularly some of those
concerning financial conditions) were common also to staff in headquarters duty
stations, although perhaps in a slightly different way and to a different degree.
Yet other problems, particularly those concerning the general conditions of work
(e.g. relationships with the headquarters and with the local authorities and
people) were specific to project staff.

251. In face of that diversity, the Commission decided that it should concentrate
on seeking solutions to specific problems and only much later possibly attempt to
evolve a global pattern of conditions of service covering all non-headquarters
staff. For its examination of those specific problems it would require information
to be provided by CCAQ and also the views of the organizations and staff; in order
to permit CCAQ and FICSA to prepare for its future discussions, it established the
following first list of subject headings together with target dates for their
examination:

(a) The Commission would require at the earliest possible time (preferably
for the eighth session) more detailed and up-to-date statistical information on
staff working away from headquarters, including information as to the occupational
groups to which they belonged, types of functions performed, contractual status and
length of service; also data on movements of staff between headquarters and other
established offices, between all such offices and projects, and between projects;

(b) When the study being prepared for the United Nations Development
Programme (UNDP) by the Joint Inspection Unit (JIU) on the future role of experts
in development co-operation became available, the Commission would wish to study
those aspects of it which were relevant to its mandate. For that purpose it
would need to know the views of the organizations concerned and of the staff;

(c) Considering that many of the difficulties of definition of the categories
of staff in respect of whom certain problems arose or to whom certain solutions
could be applied would be more easily dealt with if duty stations would be
classified according to certain objective criteria of conditions of service, the
Commission, while aware of the objections made previously against such proposals,
decided to re-examine the question. It would welcome views of the organizations
and staff for its ninth session;

(d) The Commission noted the intention of the Secretary-General of the
United Nations to present for the ninth session a note on the specific problems
concerning the United Nations Field Service;

(e) The Commission already dealt at its seventh session with one specific
problem concerning internationally-recruited staff in the field, that of rental
subsidy (see paras. 252-260 below);

(f) The Commission decided to take up at its eighth session three of the
specific problems mentioned in FICSA's submission as priority matters, namely:

(i) installation grant

(ii) assignment allowance

(iii) education grant travel
and requested, on the one hand, FICSA to present any additional evidence in support of its proposals and, on the other hand, CCAQ to provide relevant statistical information and its views. Both FICSA and CCAQ should make clear the extent to which they considered the problems to be specific to field staff or to affect field staff differently from headquarters staff;

(g) The Commission decided to examine at its ninth session such problems relating to General Service staff in the field as called for action on its part (while trusting that the organizations would themselves take action on those problems, including those listed in the FICSA document, which were within their jurisdiction). It would require information and statements of views on those problems in time for the ninth session.

1. Rental subsidy for field staff

252. From its earliest consideration of the special problems concerning staff posted outside headquarters duty stations, the Commission had noted that one of the most acute of those problems was the inability of the post adjustment system to compensate adequately for the widely divergent rents which staff members were obliged to pay in duty stations where housing was in short supply; the existence of two different schemes of rental subsidies was a further aggravation. 53/

253. At its seventh session, the Commission had before it a document presented by CCAQ which recalled that the need for some provision for housing subsidies within the framework of the post adjustment system was due to the fact that the housing component of the post adjustment index at any duty station was based on an average of rents paid by Professional staff members at that duty station. In some duty stations, the scatter of rents around the average was very wide, some staff members paying much less than the average while others paid substantially more. In the absence of a subsidy system, those who paid low rents would benefit from the higher average produced by those who paid high rents, while the latter would be penalized by the relatively low rents paid by their colleagues. In some extreme situations hardship resulted when, for lack of other suitable accommodation, the staff member was obliged to pay a rent which represented an unduly high proportion of his pay. A housing subsidy system would have the effect of reducing the level of the rental component of the post adjustment index, and hence the bonus to those whose rents were below average, while alleviating the hardship to those who were unable to secure housing at a cost reasonably close to the average.

254. The representative of CCAQ recalled that housing subsidy was already payable, within the framework of the post adjustment system, at some duty stations in certain circumstances. However, there were three different methods of assessing the subsidies that should be paid; different organizations had different practices, which led to inequity between staff members at the same duty station but belonging to different organizations and between staff members at different duty stations belonging to the same organization. Furthermore, the criteria for deciding whether a duty station should qualify for subsidy payments lacked precision, so that there were continual pressures for inclusion of duty stations within the existing subsidy systems.

255. The measures proposed by CCAQ to correct those defects did not call for the introduction of a new entitlement but for the systematization of the provisions already existing within the framework of the post adjustment system. Its proposal was as follows:

(a) Subsidies should be available only to staff serving in locations outside Europe and North America;

(b) No subsidy should be payable with respect to that part of rent which fell within 20 per cent of the staff member's income (defined as net salary plus post adjustment plus assignment allowance);

(c) As a disincentive to acquiring unnecessarily expensive lodging because subsidies existed, no subsidy should exceed the value of 40 per cent of the rent, i.e. the staff member would always be responsible for at least 60 per cent of the rent;

(d) For reasons of administrative economy, any calculated subsidy of less than $30 per month should be disregarded;

(e) Within these over-all limits, there would be two formulae:

(i) The generally applicable provision would be a subsidy of 80 per cent of the rent which was in excess of a threshold amount to be established by ICSC, as at present, for each duty station and size of dwelling, calculated normally at about 130 to 135 per cent of the level of rent on which the post adjustment class was based;

(ii) The subsidy payable to staff members at grades P-1/I through P-3/VII (the step below P-4/I), would be the higher of: either the amount computed as per (i) above, or 80 per cent of that part of the rent which exceeded 25 per cent of income;

(f) The subsidy would be payable upon certification by the senior United Nations official in the locality (usually the UNDP Resident Representative) that a rental on which subsidy was claimed was for accommodation which was "reasonable" in relation to the staff member's needs and to the conditions of the local market;

(g) Some exceptions to the general rule would be necessary at those duty stations where the majority of staff members were in government-provided housing and where the rental component of the post adjustment index, based exclusively on government rents, was relatively low, while commercial rents were considerably higher;

(h) Post adjustment indexes would have to be adjusted to take account of subsidy payments wherever applicable, in order to avoid double counting;

(i) Some machinery would have to be devised for reporting continuously to a central organ - the Commission - the essential facts about each subsidy authorized;

(j) Some transitional arrangements would be necessary whenever the new system resulted in reduction or elimination of a subsidy already being paid;
The proposed plan should be introduced on a trial basis for a year or two. While it was impossible to give a precise indication of budgetary implications, CCAO estimated that the new system would cost no more than the present ones and might result in small savings. Furthermore, the simplification of the administration of the system would produce further economies.

The representative of FICSA said that the Federation fully supported the proposed measures. While recognizing that the plan was not perfect and would not produce complete justice in all cases, it had the merit of providing a concrete solution to a specific and very severe problem for staff in the field and dealt with the situation as adequately as possible. FICSA particularly welcomed the special measures of relief to staff members at the lower levels who were hardest hit by high rents and often found themselves in situations of great hardship.

The Commission agreed that the matter called for urgent action and was in general satisfied with the proposed plan. Some members regretted that it was not possible to make a detailed comparison of the working of the proposed and existing systems over a period of time; however the data were not available for such a comparison to be made retrospectively and it could not be made prospectively because the data on staff members in each duty station, rental costs and post adjustment classes were constantly changing. One member expressed doubt whether the plan would sufficiently alleviate the relatively high burden of rent of lower graded officials (P-1 to P-3).

In view of those doubts, the Commission decided, under article 11 of its statute, to approve the introduction of the proposed measures as a part of the post adjustment system, on a trial basis for one year. Taking account of the technical and administrative arrangements that would be necessary before the plan could be put into effect, it decided to make it effective from 1 July 1978; and it was introduced from that date.

The Commission decided to review the operation of the new measures after one year's experience and for that purpose instructed its secretariat to monitor its working closely through a mechanism which would enable it to be informed automatically of all subsidies paid to staff members in any duty station. At its tenth session, the Commission would review the data on subsidies paid, the ratios of non-subsidized portions of rent to income and all other relevant information, including the most complete and precise comparison of costs that could be made in the circumstances. The Commission would then report to the General Assembly at its thirty-fourth session on the first 12 months' experience of the functioning of the new arrangements.

2. Study of the role of experts in development assistance

The Commission referred in its third annual report 54/ to the "independent, in-depth study on the role of experts in development assistance" which had been called for by the Governing Council of UNDP and which was being prepared by JIU under an arrangement concluded with it by the Administrator of UNDP. That study was to

include an examination of the prospects and feasibility of reducing expert costs through a new system of payments on the basis of the level of expertise, including lump-sum payments. The Commission had recognized the close connexion between that study and the study it was itself making on conditions of service of staff posted away from headquarters duty stations. Not all of the staff with whom the Commission's study was concerned were experts and so fell within the scope of the UNDP study. On the other hand, as regards the experts, the Commission recognized that it was certainly fundamental to any consideration of their conditions of service to know how their role was likely to evolve in future years; and the question of a "new system of payments" would involve matters clearly within the Commission's competence.

262. At its eighth session the Commission was informed of the contents of the study prepared by JIU and transmitted by the Administrator to the Governing Council of UNDP (under cover of document DP/334 of 26 April 1978) under the title: "Recruitment and use and prospects of reducing the costs of UNDP-financed experts: study of the role of experts in development assistance". It was also informed of the comments on that report made jointly by UNDP and the other organizations (DP/334/Add.2).

263. The Commission learnt that the Governing Council of UNDP at its twenty-fifth session, held at Geneva from 12 to 30 June 1978, had noted that some of the recommendations contained in the report were classed by the Administrator and the other organizations as lending themselves to early action, while others either required further study or raised serious policy questions requiring further guidance from the Governing Council. Among those in the second category were a number specifically noted by JIU as requiring examination by ICSC. The Governing Council had requested the Administrator to proceed with the implementation of the recommendations in the first category and to undertake further study of those in the other two categories. The Administrator was planning to make this further study in co-operation with the other organizations and to seek the views of ICSC concerning all the recommendations which dealt with conditions of service or other personal matters.

264. The Commission noted that it was thus not yet seized of the recommendations of JIU which fell within its sphere of competence and had therefore no comment to make on them at the present time.

3. Examination of selected entitlements of staff posted away from headquarters duty stations

265. In accordance with the plan it had adopted at its seventh session, the Commission considered three specific entitlements which had been singled out by FICSA as requiring priority consideration. It noted that each of these entitlements applied also to staff in headquarters duty stations but agreed to examine them in their application to field staff in view of the generally felt justification for giving special attention to the particular needs of this staff and enhancing to the fullest extent possible its conditions of service, given the importance of maintaining the highest standards of efficiency in those activities of the organizations which were carried out closest to Member States and were most directly perceived by them.
(a) Assignment allowance

266. The Commission noted that the assignment allowance was introduced in 1957 on the recommendation of the 1956 Salary Review Committee. It is payable to a staff member in the Professional category and above assigned to a duty station outside his or her home country, either on a fixed-term appointment or temporary assignment of one year or more but less than two years (for which removal of household effects would not as a rule be authorized) or for appointments or assignments of two to five years instead of removal of household effects (usually at field duty stations). It consists of a fixed annual amount. It may be extended beyond the original period when the appointment or assignment is extended but is not paid for more than five years in respect of service at one duty station. When payment of the allowance ceases and the staff member remains at the same duty station, he or she becomes entitled to removal costs.

267. Although originally intended to compensate staff members whose household effects had not been removed at the organization's expense for the additional costs of renting furnished accommodation, the allowance had in practice also served as an incentive to service in the field - indeed, the only such incentive provided by the salary system. Since 1957 the difference between costs of furnished and unfurnished accommodation in many duty stations had tended to diminish; on the other hand, the relative value of the allowance as an incentive to field service had also declined.

268. The General Assembly at its twenty-ninth session approved, on the proposal of ICSAB, a scale of rates differentiating between service in headquarters and comparable duty stations (those in Europe and North America) and field duty stations, between staff with and those without dependants and with separate rates for grades P-1 and P-2, P-3 and P-4 and P-5 and above.

269. In its earlier review, the Commission had recommended no change in the amounts of the allowance but had declared its intention of reviewing them whenever necessary.

270. FICSA had urged that the rates of the allowance, having been established as fixed amounts in dollars in 1975, should be increased to take account of increases in cost of living and currency fluctuations; questioned the justification for the differentiation of the rates in three different groups of grade levels and proposed that for field duty stations there should be a single rate; and asked that payment of the allowance be not discontinued after five years when a staff member was maintained at his duty station beyond that duration at the initiative of the organization.

271. The Commission confirmed the dual justification for the allowance, primarily as a compensation for the non-removal of household effects and, subsidiarily, as an incentive to service in the field.

272. It noted that the amount of the allowance had been fixed in 1975, since which time the expenses it was intended to compensate had increased. Some members supported the proposal of FICSA that the amount be revised; the majority, however, were of the opinion that, the last increase being relatively recent, it would be more appropriate for the Commission to re-examine the amount of the allowance in 1979 or 1980.
273. The Commission noted that the rates of this allowance (as of some others) were differentiated as between duty stations in Europe and North America and those elsewhere. It recognized that this corresponded to a very approximate classification of duty stations between those where conditions were comparable to headquarters duty stations and, on the other hand, "field" duty stations. The classification obviously did not fit perfectly all cases but the Commission was prepared to maintain it, at least until it had examined the results of the study it had called for (cf. para. 251 (c) above) of a more accurate classification of duty stations in terms of the relative conditions of life and work.

274. As for the proposal of FICSA, supported by CCAQ, that, for field duty stations, the differentiation in rates of the allowance according to grade of the staff member be eliminated on the ground that the type of expenses which the allowance was intended to compensate did not vary precisely according to grade, the Commission was not convinced that the allowance should not be modulated according to the level of the staff member and so decided to recommend no change in this respect.

275. Both CCAQ and FICSA drew attention to the anomalous consequences of the rule that the allowance should not be payable for more than five years; if, after receiving the allowance for five years, a staff member was maintained at the same duty station at the initiative of the organization, it was perceived as an injustice that his (her) remuneration be reduced by suppression of the allowance, but it would in most cases be absurd and wasteful if he (she) was then allowed to exercise his (her) entitlement to removal of household effects. Acting under the authority given to it by paragraph (b) of article 11 of its statute, the Commission decided that, when a staff member who had been in receipt of assignment allowance was maintained in the same duty station at the initiative of the organization (either because it wished him (her) to remain there or because it was not in a position to transfer him (her) elsewhere) beyond the initial period of five years, the staff member should be entitled to continue to receive the assignment allowance for a further period of finite length not exceeding two years for which the assignment to that duty station was renewed by the organization. At the expiry of that one further finite period of assignment, the allowance should no longer be payable.

(b) Installation grant

276. The Commission noted that the purpose of the installation grant was to cover the costs of temporary lodgings and other non-recurring expenditures in the initial period after arrival of a staff member at the duty station. It consisted of a per diem element, of 15 days' subsistence allowance at the rate applicable for the duty station in question for staff members not accompanied by dependants, 30 days' allowance for those accompanied by dependants plus 15 days' for each dependant; and of a lump-sum element, payable only at duty stations outside Europe and North America (with certain exceptions), the amount of which had remained unchanged since it was first established in 1969 at $300 for staff not accompanied by dependants and $600 for those accompanied by dependants. Certain extensions of the daily subsistence allowance beyond the normal duration were authorized in cases where the staff member could not find suitable accommodation within the normal period.

277. At its previous review, the Commission had recommended no change in the conditions or amounts of the grant but had decided to review them whenever necessary.
FICSA had urged that in light of the high expenditure involved in removal, the increasing cost of hotel accommodation and the difficulty of finding suitable housing at many duty stations, the grant should be increased to 60 days' subsistence allowance, regardless of dependency status.

278. The Commission observed that the existing provisions were inferior to those of a number of national aid programmes, including that of the comparator country; many such programmes furthermore ensured that accommodation was ready and waiting for their staff on arrival in a new duty station. While the Commission was satisfied that the rates of the daily subsistence element of the allowance were kept in line with the movement of hotel and restaurant costs, it accepted the contention of CCAQ and FICSA that the existing arrangement whereby a staff member not accompanied by dependants at the duty station received this element of the grant for only 15 days, while one accompanied by dependants received it for 30 days, was not justified, 15 days being in most cases too short a period for the staff member, whether accompanied or not, to find and install himself in permanent living quarters. It therefore decided that the period of entitlement should be standardized at 30 days (the existing provisions for extensions when it was certified that no permanent living quarters could be found being maintained).

279. As regards the lump-sum element of the grant payable only in field duty stations, the Commission recognized also that the existing differentiations between staff members accompanied and unaccompanied by dependants were not wholly satisfactory in that they provided the same amount to a staff member with a spouse but no children as to a staff member with a spouse and children. It therefore approved a unified scale whereby the amount of the grant would be $300 for the staff member and for each dependant up to a total of four persons (including the staff member).

(c) **Education grant travel**

280. The Commission recalled that the existing provisions for payment of travel expenses of a child in respect of whom education grant was being paid for studies away from the duty station enabled the child to be reunited with the parents once in each academic year which, together with the parents' entitlement to home leave, permitted three family reunions in each two-year period. FICSA had urged that the frequency of education grant travel be increased to permit two family reunions in each year. CCAQ, however, believed that this particular travel entitlement should not be looked at separately from others, in particular the home leave entitlements. The Commission concurred with this view and so decided to recommend no change on the present occasion.
CHAPTER VI
CONDITIONS OF SERVICE OF THE GENERAL SERVICE CATEGORY

A. Staff assessment, gross salary and pensionable remuneration

281. In its second annual report, the International Civil Service Commission recommended that separate scales of staff assessment be introduced for staff members of the Professional and higher categories with dependants and for those without dependants as a means of transferring the recognition of dependency status from post adjustment into base salary. Up to that time, there had been a single scale of staff assessment applied uniformly to the staff of both categories. It was not judged feasible to apply the new differentiated scales immediately to the General Service category: the Commission therefore recommended that, as a temporary measure until such time as it had been able to study the problems of remuneration of the General Service category, the previous scale should continue to apply to that category. The Commission noted, however, that "the application of the existing staff assessment rates to General Service salaries had resulted, in some localities, in levels of gross salary and pensionable remuneration which overlapped to a very considerable extent those of the Professional category." It "was struck by the great disparities between the extent of the overlap in different duty stations and, above all, between the extent of the overlap in terms of net remuneration and of gross/pensionable remuneration." 56/

282. A year later, in its third annual report, the Commission stated that in the absence of any proposal by the executive heads, it had not been able to make any progress towards a solution of the general problem. It, therefore, had no alternative but to prolong the existing temporary arrangement. 57/

283. In 1978, at its seventh session, the Commission received from CCAQ a working document analysing the problem and setting out different possible solutions. The Commission further heard the views presented orally by CCAQ, as well as those of the staff representatives, and considered the problem in depth as it related specifically to the General Service category. At its eighth session, the Commission placed it in the broader context of the way in which pensionable remuneration was established for the staff as a whole, to which it had been asked by ACC to devote attention as a matter of urgency.

284. The Commission noted that the question had arisen as a problem concerning staff assessment: it had originated in the 1976 decision to modify the staff

56/ Ibid., para. 343.
57/ Ibid., Thirty-second Session, Supplement No. 30 (A/32/30), paras. 185-186.
assessment scale for the Professional category, action was needed then because the existing staff assessment scale, based on national tax rates of 1964, had become obsolete, and distortions in the relationships between gross and net salary were produced, in circumstances of fluctuating exchange rates, by the necessity to convert local currency salaries into dollars for the purpose of applying the staff assessment scale to them. However, the Commission readily accepted the view put forward by CCAQ and FICSA that the problem concerned essentially, not staff assessment or gross salary but pensionable remuneration. While staff assessment was conceptually a form of tax levy serving as a counterpart to national income tax, the role which it played in determining the different types of remuneration in the United Nations common system was radically different from that which income tax played in a national system. Because salaries, whether of the Professional or General Service category, were determined by comparison with outside net salaries, the staff assessment scale was used to derive gross salary levels from net, the reverse of the way in which tax scales were applied. Thus, as FICSA pointed out the effect of staff assessment was exactly the opposite of that of taxation, a liberal fiscal policy and low income tax prevalent outside employees; if the low income tax rates in a given country were taken as a model for the staff assessment scale, they would give an unfavourable result for the staff of the General Service category, producing low levels of gross salary and pensionable remuneration for a given level of net salary. For the staff of the General Service category, in particular, the sole significance of the scale of staff assessment and of the figure of gross salary was that they determined the amount of pensionable remuneration for a given amount of net salary. The problem, therefore, must be approached from the standpoint of pensionable remuneration rather than that of staff assessment as a fiscal device or that of gross salary as an element in comparisons with outside conditions.

285. The various approaches suggested by CCAQ fell into two groups:

(a) Those which would extend to staff assessment and pensionable remuneration the criterion of "best prevailing local conditions" already adopted in fixing the net pay of the General Service category in each duty station:

(b) Those which would maintain a uniform global scale of staff assessment and so of pensionable remuneration.

 Approaches based on local conditions

286. The approach related to the "best prevailing local conditions" criterion would be in line with the concept of total compensation comparison: if the remuneration of General Service staff members was to be in all respects comparable to that of outside employees in the same duty station, their pension entitlements must also be aligned on those of the outside employees. To achieve this, however, it would not suffice to align United Nations gross salary on outside gross salary, i.e., to use local tax rates as the scale of staff assessment, because outside gross salary was rarely the basis on which outside pensions were calculated. Neither would it suffice to ascertain outside pensionable remuneration, because the terms of benefits outside were not the same as the terms of the United Nations Joint Staff Pension Fund. There would be no alternative to identifying and evaluating the best prevailing local pension benefits in order to determine a level of pensionable remuneration which would produce a similar level of benefits within the United Nations pension scheme. This operation would encounter the same
methodological problems which the Commission had met in attempting to evaluate total compensation (see paras. 93 to 104 above); the difficulties would be multiplied by the number of duty stations where surveys had to be conducted and by the variety of different pension schemes to be found within a single duty station (as the Commission had already observed in Geneva). Finally, the work being done by the United States Civil Service Commission showed that, in order to collect the data needed to evaluate pension plans, a great number of very detailed questions had to be put to employers; bearing in mind the difficulties already experienced in obtaining the cooperation of employers in surveys of best prevailing local conditions, it was very doubtful, indeed, that these data could be obtained.

287. The Commission thus concluded that, on practical grounds, the approach of relating pensionable remuneration to best prevailing local conditions must be ruled out, at least until more experience had been acquired in making total compensation comparisons.

Global approaches

288. Apart from the practical difficulties it entailed, the "local" approach was open to the objection that it would result in staff members in different duty stations with equal amounts of service and equal final salaries receiving different pensions. The alternative course, which would avoid that objection, was that currently adopted, namely, applying a single global scale of staff assessment to General Service staff everywhere and so determining their pensionable remuneration. But that course, too, was not free from difficulties, as recent experience had shown. Because the net salaries established in local currencies must be converted into dollars in order to apply to them the uniform scale of staff assessment expressed in dollar terms, the floating currency exchange rates of recent years had led to distortions in the relationships between net and gross salaries. Depreciation of the United States dollar in relation to local currency increased the dollar equivalent of local salaries; that, in turn, meant that a higher rate of staff assessment became applicable merely because the net salary had reached a higher bracket; and so pensionable remuneration increased disproportionately. The reverse effect occurred, although less conspicuously, in those duty stations where the local currency had depreciated in relation to the dollar. Apart from the distortions between the levels of pensionable remuneration of the two categories already referred to, staff in the same category at different duty stations were treated inequitably. For example, if two English secretaries each served for 30 years, one in Geneva and the other in London, and both retired in the United Kingdom at equivalent levels, the pension of the one who had served in Geneva would be almost three times that of her colleague.

289. The Commission considered various possible ways of establishing a global scale of staff assessment which were suggested by CCAQ. Two of them would use an average of national tax rates in a number of countries:

(a) The method by which the existing scale was developed in 1965, namely, the average of income tax rates in the seven headquarters countries. Whether the average was weighted by numbers of General Service staff in the country or not weighted, pensionable remuneration would be lowered at most gross income levels.

(b) If the same method was extended to the weighted average of income tax
rates in the seven headquarters countries and the countries of the nine largest established offices (comprising, altogether, about 75 per cent of the staff of the General Service category), the result would be similar to that of method (a), although the reduction in pensionable remuneration would be slightly smaller.

290. Two other methods would be based on a relationship with the pensionable remuneration of the Professional category:

(a) Pensionable remuneration of the General Service category could be established by applying to net salaries a "pensionable remuneration multiplier" (PRM) corresponding to the present rates of staff assessment for single staff in the Professional category. By comparison to the existing scheme, a lower pensionable remuneration would be produced at gross income levels below $20,000 and a higher rate at and above $20,000:

(b) A PRM corresponding to a "world-wide" ratio of net remuneration of the Professional category (defined as net salary plus the amount of post adjustment corresponding to the weighted average of post adjustments) to pensionable remuneration of that category could be used. That method would produce considerable drops in pensionable remuneration at all income levels, and, indeed, at or below the level of $14,000, pensionable remuneration would be equal to or lower than net salary.

291. CCAQ also suggested a method for dealing with the problems resulting from currency fluctuation in the application of any of these unified methods. Aimed at moderating fortuitous gains or losses due to exchange rate fluctuations, it would consist in applying a rate of exchange corresponding to an average of the exchange rates over a period of time (e.g., 12 or 36 months or some other period).

292. Finally, the Commission also considered with interest another method suggested by CCAQ which would involve the establishment of a scale of staff assessment expressed in percentages rather than in currency amounts. The local tax rates applicable at the salary levels corresponding to the minimum and the maximum of the General Service scale in each of the major duty stations would be weighted by the numbers of staff in those duty stations to give weighted average tax rates, in percentage terms, to be applied to the minimum and the maximum of the General Service scale everywhere; rates for intervening salary brackets would be interpolated. Thus, the need for conversion of the local currency salary into dollars, with the consequent distortions, would be avoided; and the gross/net relationship for given points in the salary scale, corresponding to given functions, would be consistent from one duty station to another.

Conclusions

293. Having examined these different possibilities and heard the views of the representatives of CCAQ and FICSA, the Commission came to the conclusion that, if the problem of the pensionable remuneration of the General Service category were treated as a separate issue, a replacement for the existing scale of staff assessment could be worked out by one of the methods considered or by some combination of them, but in order to arrive at a fully satisfactory long-term solution a more fundamental approach would be required. In such an approach, the problem would be seen as part of the general subject of pensions, and pensionable remuneration of the international civil service as a whole, concerning which the
Commission had already had some preliminary discussion and adopted plans for further study (see chap. III, paras. 43-56 above). When a basic rationale had been found for determining what was the appropriate level of pensions, and so of pensionable remuneration, for the staff of the international civil service as a whole, it would be relatively simple to devise a way of applying that rationale to the General Service category. For example, it had been suggested that if a set of principles and social policies for the international civil service could be established, it should then be possible to form a judgement as to the right level of pension benefit which staff should receive on retirement. Pensionable remuneration could then be fixed at the level which would produce that "right" or "fair" pension given the other terms of the United Nations pension scheme. For the General Service category, that approach should ultimately provide a more valid and durable solution than those based on tax rates, whether local or average; it remained to be seen whether it would be preferred to a solution based on the evaluation of local pension benefits.

294. The Commission considered whether, pending the outcome of this fundamental examination of the whole problem, any interim measures should be taken. It continued to be disturbed by what it had previously pointed out as an anomaly in the system, namely, the fact that in some duty stations the pensionable remuneration of the top grades of the General Service category overlapped with that of Professional grades up as high as P-5, while in other duty stations there was a gap between the top of one category and the bottom of the other. The Commission could not accept the contention of FICSA that, because the remuneration of the two categories was governed by different principles, any comparison of their levels of pay or of pension was irrelevant. On the contrary, the staff, although belonging to different categories, worked side by side in given hierarchical relationships based on the classification of their posts and it could not then be said irrelevant to compare the pay they received or the pensions they would receive on retirement. However, the Commission recognized that the discrepancies it had observed were not due solely to the way in which the pensionable remuneration of the General Service category was calculated and that they would be corrected if an over-all formula for determining the appropriate level of pensionable remuneration for the staff as a whole could be devised.

295. The Commission did examine a possible interim solution which it had called for, which would have been based on an updating of the average of income tax rates in the seven headquarters countries and which would have resulted in a reduction of General Service pensionable remuneration in almost all duty stations, both at headquarters and in the field. Both the organizations and the staff expressed their objections to that result. The Commission recognized that it would have done little to rectify the uneven relationships between Professional and General Service pensionable remunerations in the different duty stations and, in particular, the wide overlaps in some. Above all, the Commission recognized that, having expressed doubt about the validity of any solution based on tax rates and having put in hand the urgent study of an over-all solution, it would be illogical to introduce now, as an interim measure, a solution based on tax rates. It therefore concluded that the present temporary arrangements should continue for a further year.

296. The Commission noted, however, one technical improvement which could be introduced forthwith. It observed that at some duty stations the scale of pensionable remuneration in dollars corresponding to the gross salaries in local currency of the General Service category was already calculated using an average
of the monthly rates of exchange over a period of time, rather than the spot rate
in force on the day the scale was established. The haphazard effects of major
currency fluctuations were thereby smoothed out and a more realistic equivalent
obtained. The Commission considers that this method should be used in drawing up
the salary scales for the General Service category in all duty stations which have
been affected by major changes in currency exchange values, the period over which
the rates should be averaged depending on the evolution of the local currency in
relation to the dollar.

B. Action of the Commission under article 12 of its statute

297. In its third annual report, the Commission described, on the one hand, the
work it had begun to define the principles for the determination of the conditions
of service of the General Service category and the methodology for their
application, in implementation of its responsibilities under articles 10 and 11 of
its statute, and, on the other hand, the first action it had taken since assuming
its responsibilities under article 12 of its statute for making recommendations
about the salary scales to be applied in particular duty stations, namely, the
survey of best prevailing local conditions which it had made in Geneva. The
Commission has provided information in paragraphs 14 to 25 of the present report
about the action taken by the organizations concerned on the recommendations which
it made as a result of that survey. It had also announced in its previous
report 58/ its intention to carry out in 1978 a similar survey of best prevailing
local conditions in Paris; information concerning this survey is given in
paragraphs 302-308 below.

1. Programme of surveys under article 12

298. At its seventh session, the Commission considered the implications for its
programme of work in this area of the request made by the General Assembly in
paragraph 5 of section III of its resolution 32/200, that the Commission advance
from 1981 to 1980 the date of its next survey in Geneva. It noted that the change
of schedule raised doubts whether the Commission would be able to carry out
surveys in all the other headquarters' duty stations before reverting to Geneva
and also whether it would be able to establish a general methodology for such
surveys before making a new survey in Geneva. The first survey in Geneva having
of necessity been made on an ad hoc basis, it was obviously most desirable that
the Commission have settled at least the outlines of a general methodology before
making a second survey there; but to do so it should ideally be able to take into
account its experience of surveys in all the other headquarters duty stations.
Furthermore, if surveys in some of them were postponed until after the second
Geneva survey had been completed, the salary scales in force in those duty
stations could not be revised before 1981, which might prove to be too long a
delay.

299. The Commission therefore approved an accelerated schedule by which it
would carry out surveys in London in the second half of 1978, Montreal and

58/ Ibid., para. 205.
New York in the first half of 1979 and Rome in the second half of 1979. It would begin preparations for the second Geneva survey also in the second half of 1979 so that ample time would be allowed for the recommendations arising out of that survey to be presented to the organizations concerned by September 1980.

300. In the meantime, the Commission would also begin consideration at its ninth session (February-March 1979) of the first outline of a general methodology, which it would aim to complete at its tenth and eleventh sessions.

301. In adopting that plan, the Commission recognized that it would pre-empt to a very large extent the time available to it during its sessions in 1979 and 1980, as well as the resources of its secretariat, and would certainly delay the Commission's work in other areas. However, it could see no alternative if it was to comply in proper conditions with the General Assembly's request that it carry out another survey in Geneva earlier than scheduled.

2. Salary scales of staff in the General Service category in Paris

302. As the Commission informed the General Assembly in its third annual report, it had decided that the second survey it would carry out under paragraph 1 of article 12 of its statute would be in Paris, so responding to a resolution (28.21), adopted by the General Conference of UNESCO at its nineteenth session and which called for such a survey to be made in 1978. At the request of the Commission, acting under article 27 of its statute, the Director-General of UNESCO accepted responsibility, on the Commission's behalf, for the fact-finding phase of the collection of data from outside employers on the basis of guidelines established by the Commission.

303. The data collection was carried out in the early months of 1978 and the data presented to the Commission at its eighth session held in Paris in July 1978. In its examination of the data, the Commission gave full opportunity to the representatives of the Director-General and those of the staff of UNESCO to express their views. It noted with appreciation the spirit of co-operation and frankness which was displayed by both parties in doing so.

304. The conclusions reached by the Commission were based on data provided by 21 employers pre-selected with the agreement of the Director-General and of the staff of UNESCO as being among the best employers on the Paris market. They were drawn from various sectors of the economy, including the public sector, and together employed a total of 19,600 office employees of whom 4,300 corresponded to UNESCO staff members in the jobs surveyed. Seven such jobs were retained in the final analysis, of which three were in the secretarial series of occupations, three in the accounts-clerk series and one that of telephone operator. These seven jobs covered the three central grades, GS-3, GS-4 and GS-5, of the UNESCO

59/ The Commission noted that information would be provided to it in due course on a survey being conducted in Vienna by IAEA with the participation of the United Nations.


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Some 600 UNESCO staff members out of a total of about 1,400 in the General Service category (or 43 per cent of the total population in that category) were employed in these jobs.

In considering various alternative methods of processing and interpreting the salary data obtained outside, the Commission took special account of the fact that the 75th percentile method had consistently been used in Paris with the full agreement of all parties. The Commission adopted a variant of that method, adapted to avert any possible distortion of the results, given the characteristics of the data collected. Due account was taken of the differences found to exist between the conditions of employment other than salaries available to UNESCO staff and those offered to outside employees. The central point at which the outside salaries were equated to the UNESCO scale was step 6 of grade GS-3. The salary rates at other levels were derived by application of a set of intergrade coefficients, developed from the relationship between salaries at the three levels surveyed found to exist outside. These coefficients, which represented a lesser span than those which had been adopted by UNESCO in 1970, were as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS-1</td>
<td>80</td>
</tr>
<tr>
<td>GS-2</td>
<td>90</td>
</tr>
<tr>
<td>GS-3</td>
<td>100</td>
</tr>
<tr>
<td>GS-4</td>
<td>120</td>
</tr>
<tr>
<td>GS-5</td>
<td>140</td>
</tr>
<tr>
<td>GS-6</td>
<td>168</td>
</tr>
</tbody>
</table>

On the basis of its findings and conclusions, the Commission recommended a salary scale, the essential features of which are reproduced as annex V to the present report, which, in its opinion, reflects adequately the best prevailing conditions in Paris as at 1 January 1978. By comparison with the scale which was in force at that date in UNESCO, the recommended scale represents a salary increase of 4.4 per cent at grade GS-1 and salary reductions of about 1.5 per cent at grades GS-2 and GS-3, of about 6.5 per cent at grade GS-4 and about 11 per cent at grades GS-5 and GS-6. The weighted average of the reductions in salary for the scale as a whole is 5 per cent. The salary scale recommended by the Commission will need to be updated, by the same method as used for adjusting salaries between surveys, to the date at which the revised salary scale is to come into effect.

In compliance with its mandate under article 11 (b) of its statute, the Commission also considered the level of dependency allowances payable to staff in the General Service category in Paris. Having examined the amounts of family allowances payable under the French social security legislation and the tax abatements allowed on account of dependants, the Commission recommended that the family allowances be established with effect from 1 January 1979 as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Existing rates</th>
<th>Recommended rates</th>
<th>Percentage increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Spouse allowance</td>
<td>3,400</td>
<td>5,900</td>
<td>73.5</td>
</tr>
<tr>
<td>(b) First dependent child:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) If spouse allowance is</td>
<td>1,400</td>
<td>1,600</td>
<td>14.3</td>
</tr>
<tr>
<td>payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) If no spouse allowance</td>
<td>4,800</td>
<td>7,500</td>
<td>56.3</td>
</tr>
<tr>
<td>is payable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Second and subsequent</td>
<td>2,000</td>
<td>3,500</td>
<td>75.0</td>
</tr>
<tr>
<td>dependent children</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

308. The findings, conclusions and recommendations of the Commission are set out in detail in a report presented to the Director-General of UNESCO. It is understood that the Director-General will transmit this report, for decision, to the Executive Board and the General Conference of UNESCO, together with whatever comments he may wish to make on it. In compliance with article 17 of its statute, the Commission will include in its next annual report information on the action taken on its recommendations.
CHAPTER VII

ACTION UNDER ARTICLES 13 AND 14
OF THE COMMISSION'S STATUTE

A. Job classification (article 13)

309. In its third annual report, the Commission recognized the urgent need for a common classification of occupational groups to be applied within the common system as a precursor to the assumption by the Commission of its functions under article 13 of the statute and as a necessary prerequisite to the development of management systems in other areas, such as personnel statistics, which were basic to all the Commission's activities. At its eighth session the Commission further analysed the uses to which such a classification would be put and, in light of that analysis, established the basic framework of the classification and a time-table for completing it.

Uses of a common classification of occupational groups

310. The Commission noted that the absence of a single method commonly applied by the organizations of the common system for classifying or categorizing the different occupations that existed among their staffs hindered the meaningful exchange of information and compilation of personnel statistics that was necessary for the Commission and other interorganizational bodies in carrying out their functions. It recognized that a common classification was necessary not only to eliminate these problems, but also to pave the way for the development within the common system of improved systems in other areas of personnel management. The classification was a necessary prerequisite for the establishment of career development as it would provide information on the types and number of jobs that existed, help to identify career paths within and between occupations, identify occupations having more or less promising career potential and consequently provide the information necessary for any meaningful career counselling. It would aid manpower planning by determining the turnover of populations within occupational groups thereby permitting more accurate predictions of the type and number of future openings. The classification would aid recruitment by identifying those occupations for which recruitment could be conducted jointly and by facilitating the preparation, where possible, of commonly understood, standardized notices of vacancy. Training programmes could be better designed to help the organizations meet projected needs or to help staff members adapt to different occupational areas which provide greater career opportunities. The classification would also be

61/ In accordance with the work plan described in paras. 231-234 of the Commission's third annual report, the Commission has not considered action under article 15 of the statute (harmonization of staff regulations) in 1978, pending the completion of the efforts being made by the organizations through CCAQ to arrive at a common position on those regulations and rules where there are divergencies of practice among the organizations.

useful in carrying out General Service salary surveys, as it would provide readily usable data on the occupations to be surveyed. However, the area for which a common classification was most needed was that of job classification. In that respect, the common classification would identify the fields of work common to several of the organizations for which the Commission's statute required that job classification standards be established; the Commission reaffirmed the importance of such standards and its intention to establish them as early as possible. For all these reasons it asserted the importance of establishing a common classification of occupational groups. Having regard to the urgent need manifested at the present moment in many quarters for such a classification and in order to avoid duplication of effort and encourage harmonization, the Commission considered that it was highly necessary that it, as the body having central responsibility for such matters, should draw up such a common classification within the shortest period which would permit due account to be taken of the views of all interested parties.

Framework of a common classification of occupational groups

311. The Commission recognized that a common classification of occupational groups should:

(a) Set out a listing of all or most of the individual occupations that now exist within the organizations of the common system;

(b) Group these occupations and suboccupations into categories of work on the basis of similarity of function;

(c) Provide detailed definitions for each of the groups, subgroups and occupations;

(d) Provide a numerical coding for each entry in the system for electronic data processing purposes;

(e) Be applied by all of the organizations and bodies within the common system as regards interorganization personnel matters.

312. The Commission then gave its preliminary approval to a global schema or framework for the common classification of occupational groups to be applied within the common system. The global schema is a listing of the occupations existing within the organizations of the common system grouped by categories of work on the basis of similarity of function (thus meeting requirements (a) and (b) above). The global schema provides for the following four levels of categorization:

(a) The "Occupational Group" (e.g. "PROFESSIONAL, MANAGERIAL, TECHNICAL AND RELATED WORKERS");

(b) The "Family" (e.g. "Architects, Engineers (and Related Technicians)");

(c) The "Field of Work" (e.g. "Civil Engineers");

(d) The "Occupation" or "Speciality" (e.g. "Sanitary Engineers").
**Time-table for completing the common classification of occupational groups**

313. The Commission noted with satisfaction the work carried out by the Sub-Committee on Job Classification of CCAQ in developing definitions of General Service occupations, as had been requested by the Commission, and recognized that its own secretariat had already prepared a number of definitions for occupations within the Professional category in conjunction with the study of equivalencies in grade between the United Nations common system and the Federal Civil Service of the United States of America. After consulting the representatives of the organizations and of the staff, the Commission established the following time-table for completing the common classification of occupational groups:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>The detailed definitions already prepared will be sent to the representatives of the organizations and of the staff by mid-September of 1978;</td>
</tr>
<tr>
<td>Step 2</td>
<td>By mid-October 1978 the organizations and staff should provide detailed comments on these definitions and on the global schema to the secretariat which will prepare revisions;</td>
</tr>
<tr>
<td>Step 3</td>
<td>In February of 1979, the remaining definitions will be submitted to the representatives of the organizations and of the staff who should provide comments on these to the secretariat by the end of April;</td>
</tr>
<tr>
<td>Step 4</td>
<td>Having revised the remaining definitions the secretariat will communicate the entire list of definitions and the revised global schema to the representatives of the organizations and of the staff by the end of May in order that their comments can be available to the Commission at its tenth session (summer 1979), when it will consider and, if possible, approve the entire common classification of occupational groupings;</td>
</tr>
<tr>
<td>Step 5</td>
<td>Directly after the tenth session, the numerical codings for each entry of the common classification will be developed in consultation with the Inter-Organization Board for Information Systems and Related Activities, and the system will be made operational shortly thereafter;</td>
</tr>
<tr>
<td>Step 6</td>
<td>By the end of September 1979 the organizations should provide the secretariat with a statistical breakdown of detail (&quot;occupation&quot; or &quot;speciality&quot;).</td>
</tr>
</tbody>
</table>

314. Concurrently with the completion of this, the first stage in the carrying out of the Commission's functions under article 13 of the statute, it will also be laying plans, in conjunction with the administrations and staff for the following stage, namely, the actual preparation of standards in occupations common to several of the organizations.
B. Recruitment standards, policies and practices: the career concept and career development (article 14)

315. At its seventh session the Commission had before it a study prepared at its request by the United Nations Institute for Training and Research (UNITAR) containing detailed information (compiled with the co-operation of the organizations) on the policies and situations of the organizations of the common system with respect to career concept and career development; an analysis of that information leading to conclusions; and suggestions for improving career development systems. Various areas were suggested which the Commission might wish to retain as subjects for further study:

(a) The possibility of adopting an over-all recruitment policy;

(b) The way in which the balance between career staff and fixed-term staff should be defined and achieved;

(c) The development of manpower planning, career counselling and training programmes in the organizations;

(d) Mobility between different duty stations, between different organizations and between national and international service;

(e) The linkage between career development and training.

316. The representatives of CCAQ and FICSA welcomed the study and said that they would examine it carefully and submit their comments to the Commission at its eighth session.

317. Members of the Commission also welcomed the study as a valuable source of information and a useful introduction to the questions which the Commission would have to face in undertaking its responsibilities under article 14. In the preliminary discussions which followed, links between the subject of career development and the other subjects dealt with under articles 13 and 14, such as job classification and recruitment, were emphasized and the order in which the different questions should be dealt with was explored. The Commission decided to resume discussion at the eighth session when further comments of CCAQ and FICSA were expected.

318. The Commission also considered at its seventh session, on the basis of a note prepared by its secretariat, the question of recruitment and its relation to other areas of personnel policy. The document observed that recruitment policy was determined in part by fundamental policy decisions of the organizations (those set out in the Charter or constitutions and legislative decisions) and, in part, by the practical needs of each organization. It recognized that recruitment policy both influenced and was influenced by other aspects of personnel policy and suggested that all of these different concerns could be best co-ordinated through a comprehensive, forward-looking human resources management system which would make possible, among other things, the advance planning of recruitment actions. Such human resources planning systems had not yet been fully developed in any of the organizations of the common system, although the need for them had often been endorsed.
319. The representative of CCAQ stated that the organizations agreed in general with the approach to planning of human resources, including recruitment planning, suggested in the document, although there would inevitably be variations in its applicability to different organizations. CCAQ undertook to consider the question further and present its views at a later session.

320. The representative of FICSA welcomed the approach suggested in the document, which would in FICSA's views both benefit the organizations individually and provide a good method by which the Commission could perform its functions in respect of recruitment.

321. One member of the Commission considered that the existence of a high proportion of staff with permanent appointments impeded long-term personnel planning of the kind outlined in the document. The majority of members believed, however, that such planning would be advantageous to the organizations and to the common system as a whole and that those organizations where such planning did not already exist should be urged to give serious consideration to its introduction and to inform the Commission in due course of the progress made.

322. The members of the Commission also commented on the feasibility and value of competitive examinations in recruitment for posts of different types and at different levels in the international organizations, as had been advocated in a prior study on recruitment prepared by JIU which the Commission had retained as background information for its continuing examination of the recruitment question. The Commission also explored the justification for and extent of staff participation in the recruitment process and requested that comparative information on the situation in the different organizations be provided at its next session.

323. At its eighth session the Commission considered jointly the questions of recruitment and career development using as a basis for its discussion the background documentation that had been prepared for earlier sessions as well as a summary of decisions adopted and directives given by legislative bodies of the organizations in connexion with recruitment policies.

324. The representative of CCAQ informed the Commission that the comments that had been requested from the organizations at earlier sessions on the specific practices in the different organizations, as regards staff participation in the recruitment process and on the concept of viewing recruitment in the broader context of human resources management, would be submitted to the Commission at its ninth session. CCAQ could report now that most organizations were either developing manpower plans or were involved in the process of considering them. As regards the career development study of UNITAR, the organizations planned to submit their separate comments in due course.

325. At the request of the Chairman of CCAQ the representative of the ILO then drew to the Commission's attention the problem of the erosion of the international civil service; the organizations considered the solution of that problem as fundamental to making progress in the areas of recruitment and career development. The representative of the ILO, speaking on behalf of the organizations, called upon the Commission to reaffirm the principles of the integrity of the international civil service and of geographical distribution as embodied in the Charter of the United Nations and founding documents of the specialized organizations. He noted the gradual erosion in recent years of the principle that the secretariat must be
composed of staff that are impartial, independent and of the highest integrity. That had led to a decay in the morale of those who served in the international organizations and who were still inspired by those principles. He stressed that the legitimate role of Governments was to help ensure a proper geographical composition of the secretariats, but that once individuals were recruited they should be subject without interference to the same rules as all other officials.

326. The representative of FICSA welcomed the remarks of CCAQ. He affirmed that the same sorts of frustrations that existed within the administrations were present among the staff. If there was a growing malaise, it was because of the ever widening gap between the declared principles and the established practices. FICSA gave far more importance to these problems than to the more material questions with which the Commission also dealt. It was in areas such as career development and recruitment that the staff had expected the greatest contribution of the Commission. Accordingly, FICSA suggested that greater priority be given to these issues and promised that it would prepare for the Commission's ninth session a fundamental policy paper on the career civil service.

327. The Commission did not discuss the question raised by the representative of the ILO but reaffirmed the importance of its role in questions such as career development and recruitment which it saw as fundamental to the fulfilment of the principles embodied in the Charter and other founding documents. It recognized that these were two complex areas having many interrelated aspects and a significant bearing on other areas of personnel policy. The Commission noted that it was not by accident that article 13 preceded article 14 in its statute. In order to improve recruitment and career development, the nature, types, levels and duration of jobs existing within the organizations had first to be determined. Once this was done career development possibilities could be identified. Recruitment needs could then be determined, keeping in mind the requirements of geographical distribution and the proper proportion of women and young people among the staff. The areas of job classification, career development and recruitment were therefore cornerstones of sound personnel management and consequently vital to the organizations' ability to meet their responsibilities towards the Member States.

328. The Commission observed that the complexity of the issues involved and the history of past practices would make progress in these areas difficult. The Commission had however already entered into this sensitive area. It had at the eighth session approved a plan of action that would lead at the tenth session to the establishment of a common classification of occupational groups, an essential preliminary to the solution of these problems. It had also had some very useful discussions on these topics in which the view of the organization and of the staff had been heard. Further comments were still needed, but in this respect the Commission noted with satisfaction that both the organizations and the staff had undertaken to present their views in a comprehensive form at the ninth session. It requested organizations to present at the same session their joint views on the UNITAR study as well as any individual comments they might wish to submit.

329. Noting the complexity of the problems involved, the Commission requested its secretariat to prepare for the ninth session a list of all of the issues to be considered. Given their importance, it decided to allow in the work programme of that session for a substantial block of time to be devoted entirely to their consideration. There the further view of the organizations and of the staff would be heard and the appropriate course of action for the Commission might be determined. The Commission's approach to the whole group of problems would then be reported to the General Assembly at its thirty-fourth session.
Movement of post adjustment classification of headquarters duty stations and of the weighted average of post adjustments (WAPA) January 1977 - September 1978

Graph showing the movement of post adjustments with classification changes from old to new for various duty stations including Geneva, Vienna, Paris, London, New York, Montreal, Rome, and Montreal. The graph includes index values for the years 1977 and 1978.
ANNEX II

Comparative evolution of net remuneration and of consumer price indexes in headquarters duty stations 1971-1977

Table: Evolution of net remuneration at P-4 step V a/ and of consumer price indexes (CPI) at headquarters duty stations (1971-1977).

1971 = 100

<table>
<thead>
<tr>
<th>Duty station (1)</th>
<th>CPI b/ (2)</th>
<th>Actual net Remuneration c/ (3)</th>
<th>Net remuneration excluding salary increases c/ (4)</th>
<th>Ratio 3/2 (5)</th>
<th>Ratio 4/2 (6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>149.7</td>
<td>149.4</td>
<td>136.8</td>
<td>99.8</td>
<td>91.4</td>
</tr>
<tr>
<td>Geneva</td>
<td>140.0</td>
<td>133.2</td>
<td>122.0</td>
<td>95.1</td>
<td>87.1</td>
</tr>
<tr>
<td>London</td>
<td>227.6</td>
<td>232.1</td>
<td>212.7</td>
<td>102.0</td>
<td>93.5</td>
</tr>
<tr>
<td>Montreal</td>
<td>160.7</td>
<td>169.5</td>
<td>155.4</td>
<td>105.5</td>
<td>96.7</td>
</tr>
<tr>
<td>Paris</td>
<td>173.2</td>
<td>172.0</td>
<td>157.5</td>
<td>99.3</td>
<td>90.9</td>
</tr>
<tr>
<td>Rome</td>
<td>224.7</td>
<td>218.4</td>
<td>200.2</td>
<td>97.2</td>
<td>89.1</td>
</tr>
<tr>
<td>Vienna</td>
<td>153.8</td>
<td>148.6</td>
<td>135.8</td>
<td>96.6</td>
<td>88.3</td>
</tr>
</tbody>
</table>

a/ Salary plus post adjustment in local currency for a staff member with spouse and no children.


c/ The figures under column 3 include the salary increases approved by the General Assembly with effect from July 1971 and January 1975, while those under column 4 exclude them. Column 4 thus shows the result which would have been produced by the operation of the post adjustment system alone, without the salary increases granted by the General Assembly in order to restore the real value of remuneration.

Graphs: The graphs on the following pages show, for each headquarters duty station, the evolution, year by year, of the actual net remuneration and the net remuneration as defined in column 4 of the above table, compared with that of the consumer price index.

-107-
Geneva

1
Actual remuneration in Swiss Francs

2
Remuneration in Swiss Francs excluding salary increases

Local consumer price index

London

1 Actual remuneration in Pounds Stg.

2 Remuneration in Pounds Stg. excluding salary increases

Local consumer price index
Montreal

1
Actual remuneration in Canadian $

2
Remuneration in Canadian $ excluding salary increases

Local consumer price index

New York

1
Actual remuneration in US $

2
Remuneration in US $ excluding salary increases

Local consumer price index
Paris

1. Actual remuneration in French Francs

2. Remuneration in French Francs excluding salary increases

Local consumer price index

Rome

1. Actual remuneration in Italian Lire

2. Remuneration in Italian Lire excluding salary increases

Local consumer price index
Vienna

1
Actual remuneration in Austrian Sch.

2
Remuneration in Austrian Sch. excluding salary increases

Local consumer price index

Graph showing Actual remuneration and Remuneration excluding salary increases in Vienna from 1971 to 1978.
ANNEX III

Job classification point-rating system


TABLE A - FACTORS

The six factors on the following pages are designed to measure the relative importance of jobs - not individuals - with an organization. Jobs are analysed in terms of several common elements and point values are assigned for these. The total point rating for a particular job falls within a point range which indicates the appropriate grade for the job. The point ranges for grade levels P-1 through D-2 are as follows:

<table>
<thead>
<tr>
<th>Point ranges</th>
<th>Grade level</th>
</tr>
</thead>
<tbody>
<tr>
<td>800 - 969</td>
<td>P-1</td>
</tr>
<tr>
<td>970 - 1349</td>
<td>P-2</td>
</tr>
<tr>
<td>1350 - 1639</td>
<td>P-3</td>
</tr>
<tr>
<td>1640 - 2039</td>
<td>P-4</td>
</tr>
<tr>
<td>2040 - 2479</td>
<td>P-5</td>
</tr>
<tr>
<td>2480 - 2939</td>
<td>D-1</td>
</tr>
<tr>
<td>2940 - 3449</td>
<td>D-2</td>
</tr>
</tbody>
</table>

The following factors require further explanation:

**Factor I:** This is the only three-dimensional factor. In applying this factor, the appropriate level of theoretical knowledge required by the job (i.e. the horizontal element) is identified first. Then the requirements of the job in terms of the level of practical experience in applying that theoretical knowledge are determined (i.e. the vertical element). The appropriate box that corresponds to the two elements identified is found. Finally, depending upon the language knowledge requirements of the job (i.e. the third dimension), the appropriate point value is chosen from among the three values indicated in that box. If proficiency in one working language is required then the lowest score is allocated. The middle score is given for the requirement of proficiency in two working languages and the highest score for the requirement of proficiency in a third language (working or not) as well as in two working languages.

**Factor IV:** This factor also is scored differently from the others. First the skill and importance of the inside contacts required by the job are evaluated and a point value is allocated. Then the same is done for the outside contacts - if any are required. Finally, the two point scores are added together to obtain the total point value for the factor.
FACTOR I

PROFESSIONAL KNOWLEDGE REQUIRED

This factor measures the theoretical knowledge and practical experience of applying that knowledge that is required by the job.

<table>
<thead>
<tr>
<th>Theoretical knowledge required</th>
<th>1. Knowledge at first university degree level or its equivalent in training and self-study.</th>
<th>2. Knowledge at advanced university degree level or its equivalent in training and self-study.</th>
<th>3. Knowledge at highest university degree level or its equivalent in training and self-study.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practical experience required</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. No experience required.</td>
<td>100 150 200 200 250 300 350 400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Experience in applying theoretical knowledge at national level for up to five years or at international level for up to two years.</td>
<td>150 200 250 300 350 400 450 500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Experience in applying theoretical knowledge at national level for over five up to ten years or at international level for over two up to five years.</td>
<td>200 250 300 350 400 450 500 550</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Both of the above.</td>
<td>250 300 350 350 450 450 500 550 600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. Experience in applying theoretical knowledge at national level for over 10 years or at international level for over five up to 10 years.</td>
<td>300 350 400 450 500 550 600 650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. Both of the above.</td>
<td>350 400 450 450 500 500 550 600 650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G. Experience in applying theoretical knowledge at international level for over 10 years.</td>
<td>400 450 500 550 600 650 700</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Language Knowledge Required

| The job requires that the incumbent have proficiency in one working language of the organisation. (0 points) | The job requires that the incumbent have proficiency in two working languages of the organisation. (+50 points) | The job requires that the incumbent have proficiency in a third language as well as in two working languages of the organisation. (+100 points) |

1/ "Proficiency" is defined as: "A working knowledge, sufficient to permit a speaker to take part in ordinary conversations, to attend meetings, understand what is said there and make his own contribution, to write about official matters from one office to another within the organisation, in a language which, while not necessarily perfect, avoids the grosser grammatical and syntactical errors and is readily comprehensible."

-116-
<table>
<thead>
<tr>
<th>Complexity of assigned work</th>
<th>Individual contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5. Analysing data, identifying problems, drawing conclusions and making recommendations, Interpreting rules, procedures or texts.</td>
</tr>
<tr>
<td>1. Extremely broad in scope and requiring considerable depth of treatment of subject-matter. Involves great intricacy and requires that several diverse phases are pursued concurrently. Problems very difficult to define and many complex considerations (such as the impact of alternative possible solutions on other major areas of work or other organizations) involved in solving them.</td>
<td>2. Essentially the synthesis, conversion and presentation of data requiring the application of the elementary principles of the profession.</td>
</tr>
<tr>
<td>3. Same as 5 plus corrective or adaptive action or revising work at level 5.</td>
<td>4. Developing new approaches, procedures, techniques of terminology as an appreciable part of work.</td>
</tr>
<tr>
<td>6. Same as 5 plus corrective or adaptive action or revising work at level 5.</td>
<td>7. Developing new approaches, procedures, techniques of terminology as an appreciable part of work.</td>
</tr>
<tr>
<td>8. As a major part of the work developing new concepts, theories or policies in the solution of delicate or significant problems or launching activities in new fields. OR planning, co-ordinating and directing work of predominantly level 6 positions.</td>
<td>9. Planning, co-ordinating and directing a vital area of organization's work characterized by predominance of level 6 (top) positions. OR planning, co-ordinating and directing work of predominantly level 6 or above positions in diverse organizational entities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Complexity</th>
<th>380</th>
<th>460</th>
<th>540</th>
<th>625</th>
<th>710</th>
<th>800</th>
</tr>
</thead>
</table>
**FACTOR III**

**INDEPENDENCE OF WORK**

This factor measures the degree to which guidelines apply to the work and the amount of supervisory assistance and control given.

<table>
<thead>
<tr>
<th>Application of guidelines</th>
<th>10. Procedures for doing the work have been standardized and a number of specific applicable guidelines are available.</th>
<th>11. Procedures for doing the work may not be standardized and specific applicable guidelines are not always available.</th>
<th>12. Guidelines are only partially relevant. Incumbent interprets and adapts guidelines to fit unusual or complex situations.</th>
<th>13. Guidelines are only partially relevant. Work normally requires that incumbent interpret and adapt guidelines. Incumbent may establish guidelines.</th>
<th>14. Guidelines are broadly stated in policy terms and normally require extensive interpretation. Significant compromises to guidelines normally required for majority of work. Incumbent frequently required to establish guidelines.</th>
<th>15. Guidelines are non-existent for major part of work. Incumbent has authority to establish guidelines of significant importance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisory controls over incumbent</td>
<td>M. Specific instructions are provided. Work regularly checked in process and end product reviewed for adherence to instructions, soundness of conclusions and accuracy.</td>
<td>110</td>
<td>160</td>
<td>210</td>
<td>260</td>
<td>310</td>
</tr>
<tr>
<td></td>
<td>N. Purpose and desired results indicated and anticipated problems discussed beforehand. Other problems that arise are discussed with supervisor. Specific instructions are provided for new assignments and the approach is normally defined by the supervisor. Work in process periodically reviewed. End product reviewed for soundness of conclusions and accuracy.</td>
<td>170</td>
<td>220</td>
<td>270</td>
<td>320</td>
<td>370</td>
</tr>
<tr>
<td></td>
<td>O. Purpose and desired results indicated. The approach is normally developed jointly between incumbent and supervisor. Problems that occur are discussed at discretion of official. Work in process reviewed at discretion of supervisor. End product reviewed for soundness of conclusions and judgement.</td>
<td>230</td>
<td>280</td>
<td>330</td>
<td>380</td>
<td>430</td>
</tr>
<tr>
<td></td>
<td>P. General objectives and boundaries indicated. Incumbent develops approach to follow which may be reviewed beforehand by supervisor. Work in process is reviewed with supervisor only when incumbent feels it necessary. End product reviewed for attainment of objectives.</td>
<td>310</td>
<td>360</td>
<td>410</td>
<td>460</td>
<td>510</td>
</tr>
<tr>
<td>Application of guidelines</td>
<td>10. Procedures for doing the work have been standardized and a number of specific applicable guidelines are available.</td>
<td>11. Procedures for doing the work may not be standardized and specific applicable guidelines are not always available.</td>
<td>12. Guidelines are only partially relevant. Incumbent interprets and adapts guidelines to fit unusual or complex situations.</td>
<td>13. Guidelines are only partially relevant. Work normally requires that incumbent interpret and adapt guidelines. Incumbent may establish guidelines.</td>
<td>14. Guidelines are broadly stated in policy terms and normally require extensive interpretation. Significant compromises to guidelines normally required for majority of work. Incumbent frequently required to establish important guidelines.</td>
<td>15. Guidelines are non-existent for major part of work. Incumbent has authority to establish guidelines of significant importance.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Q. General objectives and desired results are discussed between supervisor and incumbent. Work is reviewed for accomplishment of programme objectives.</td>
<td>380</td>
<td>430</td>
<td>480</td>
<td>530</td>
<td>580</td>
<td>630</td>
</tr>
<tr>
<td>R. Incumbent identifies objectives, determines desired results and communicates these to supervisor. Work considered as authoritative and normally accepted without change.</td>
<td>450</td>
<td>500</td>
<td>550</td>
<td>600</td>
<td>650</td>
<td>700</td>
</tr>
</tbody>
</table>
**FACTOR IV**
**WORK RELATIONSHIPS**

This factor measures the skill required in work relationships and the importance of contacts to the Organization's programmes.

<table>
<thead>
<tr>
<th>SKILL</th>
<th>IMPORTANCE</th>
<th>16. To give, obtain and exchange information requiring discussion and explanation.</th>
<th>17. To persuade and obtain assistance of others on matters of non-routine significance.</th>
<th>18. To act as representative or adviser of the Organization with authority to discuss problems and seek common ground on which to recommend solutions based on predetermined guidelines provided by higher authority.</th>
<th>19. To act as representative or adviser of the Organization with authority to discuss problems, seek common grounds for solutions and commit the Organization on policy issues of limited importance.</th>
<th>20. To act as representative or adviser of the Organization with authority to discuss problems, seek common grounds for solutions and commit the Organization on policy issues of considerable significance.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INSIDE ORGANIZATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Predominantly within same functional area.</td>
<td></td>
<td>70</td>
<td>110</td>
<td>150</td>
<td>190</td>
<td>230</td>
</tr>
<tr>
<td>2. Outside functional area extensively throughout Organization, but generally not with units outside the duty station.</td>
<td></td>
<td>105</td>
<td>145</td>
<td>185</td>
<td>225</td>
<td>265</td>
</tr>
<tr>
<td>3. Same as above, as well as with units outside the duty station.</td>
<td></td>
<td>140</td>
<td>180</td>
<td>220</td>
<td>260</td>
<td>300</td>
</tr>
<tr>
<td><strong>OUTSIDE ORGANIZATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Virtually no contacts outside the Organization.</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. Contacts with persons on routine subject matters (e.g. suppliers, contractors).</td>
<td></td>
<td>115</td>
<td>155</td>
<td>195</td>
<td>235</td>
<td>275</td>
</tr>
<tr>
<td>3. Contacts with persons on subject matters of importance to Organization's programmes (e.g. counterparts in other organizations or at working level in national governments).</td>
<td></td>
<td>190</td>
<td>230</td>
<td>270</td>
<td>310</td>
<td>350</td>
</tr>
<tr>
<td>4. Contacts with persons on subject matters of greater importance to Organization's programmes (e.g. Heads of important organizational units in other organizations, or national governments).</td>
<td></td>
<td>265</td>
<td>305</td>
<td>345</td>
<td>385</td>
<td>425</td>
</tr>
</tbody>
</table>
FACTOR IV (continued)

<table>
<thead>
<tr>
<th>IMPORTANCE</th>
<th>5. Contacts with persons on subject matters having a significant impact on Organization's programmes (e.g. members of Organization's legislative bodies, Executive Heads of other organisations, Heads of delegations and Ministers in national governments).</th>
<th>340</th>
<th>380</th>
<th>420</th>
<th>460</th>
<th>500</th>
</tr>
</thead>
<tbody>
<tr>
<td>SKILL</td>
<td>16. To give, obtain and exchange information requiring discussion and explanation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>17. To persuade and obtain assistance of others on matters of non-routine significance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18. To act as representative or adviser of the Organization with authority to discuss problems and seek common ground on which to recommend solutions based on predetermined guidelines provided by higher authority.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>19. To act as representative or adviser of the Organization with authority to discuss problems, seek common ground for solutions and commit the Organization on policy issues of limited importance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20. To act as representative or adviser of the Organization with authority to discuss problems, seek common ground for solutions and commit the Organization on policy issues of considerable significance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**FACTOR V**

**SUPERVISORY RESPONSIBILITY**

This factor measures the management responsibility* of the job in terms of the numbers of staff supervised.

<table>
<thead>
<tr>
<th>Direct responsibility for Professional Staff</th>
<th>21</th>
<th>22</th>
<th>23</th>
<th>24</th>
<th>25</th>
<th>26</th>
<th>27</th>
<th>28</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 or 1 Support Staff</td>
<td>0</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>125</td>
<td>150</td>
</tr>
<tr>
<td>2 - 10 Technical and Administrative Support Staff**</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>145</td>
<td>170</td>
</tr>
<tr>
<td>11 - 25 Technical and Administrative Support Staff**</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>165</td>
<td>190</td>
</tr>
<tr>
<td>26 - 50 Technical and Administrative Support Staff**</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>185</td>
<td>210</td>
</tr>
<tr>
<td>51 - 100 Technical and Administrative Support Staff**</td>
<td>80</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>180</td>
<td>205</td>
<td>230</td>
</tr>
<tr>
<td>101 - 200 Technical and Administrative Support Staff**</td>
<td>100</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>180</td>
<td>200</td>
<td>225</td>
<td>250</td>
</tr>
<tr>
<td>201 - 500 Technical and Administrative Support Staff**</td>
<td>125</td>
<td>145</td>
<td>165</td>
<td>185</td>
<td>205</td>
<td>225</td>
<td>250</td>
<td>275</td>
</tr>
<tr>
<td>Over 500 Technical and Administrative Support Staff**</td>
<td>150</td>
<td>170</td>
<td>190</td>
<td>210</td>
<td>230</td>
<td>250</td>
<td>275</td>
<td>300</td>
</tr>
</tbody>
</table>

* Responsibility means being held responsible for the work of those supervised and normally includes the preparation of annual reports.

** Includes general service, local, manual and security staff.
### FACTOR VI

#### IMPACT OF WORK

This factor measures the importance of decisions and proposals on the Organization's objectives and the consequences of involuntary errors on such objectives.

<table>
<thead>
<tr>
<th>Effect on work</th>
<th>Consequences of involuntary errors</th>
<th>29. Decisions are rarely, if ever, taken. Proposals, if accepted, affect the work of the immediate organizational unit.</th>
<th>30. Decisions taken are limited to methods of work or individual cases. Proposals, if accepted, directly affect the accuracy, reliability and acceptability of further processes or services.</th>
<th>31. Decisions taken directly affect the accuracy, reliability and acceptability of further processes or services. Proposals, if accepted, directly affect the design or operation of systems, programmes or types of equipment.</th>
<th>32. Decisions taken directly affect the design or operation of systems, programmes or types of equipment. Proposals, if accepted, directly affect the design or operation of major systems, programmes or types of equipment.</th>
<th>33. Decisions taken directly affect the design or operation of major systems, programmes or types of equipment. Proposals, if accepted, directly affect a wide range of the Organization's activities, other organisations, national governments or the well-being of large numbers of people.</th>
<th>34. Decisions taken directly affect a wide range of the Organization's activities. Proposals, if accepted, have a direct and substantial effect on other organisations, national governments or the well-being of large numbers of people.</th>
<th>35. Decisions taken have a direct and substantial effect on a wide range of the Organization's activities. Proposals, if accepted, have a direct and substantial effect on other organisations, national governments or the well-being of large numbers of people.</th>
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<tbody>
<tr>
<td>c. Errors normally would cause damage only to incumbent.</td>
<td>90</td>
<td>140</td>
<td>195</td>
<td>250</td>
<td>310</td>
<td>370</td>
<td>440</td>
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<tr>
<td>d. Errors normally would cause damage to the work of the immediate organizational unit.</td>
<td>130</td>
<td>180</td>
<td>235</td>
<td>290</td>
<td>350</td>
<td>410</td>
<td>480</td>
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<tr>
<td>e. Errors normally would cause some damage to Organization's programmes in terms of time, quality or money.</td>
<td>170</td>
<td>220</td>
<td>275</td>
<td>330</td>
<td>390</td>
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<td>f. Errors normally would cause significant damage to Organization's programmes in terms of time, quality or money.</td>
<td>210</td>
<td>260</td>
<td>315</td>
<td>370</td>
<td>430</td>
<td>490</td>
<td>560</td>
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<tr>
<td>g. Errors would cause significant damage to Organization's major objectives and commitments to constituents.</td>
<td>250</td>
<td>300</td>
<td>355</td>
<td>410</td>
<td>470</td>
<td>530</td>
<td>600</td>
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</table>
TABLE B - FORM OF JOB DESCRIPTION

Organization: ____________________________

Job title of position: ____________________________ Grade: _____

Organizational setting of the job

<table>
<thead>
<tr>
<th>Department</th>
<th>Division or branch</th>
<th>Section</th>
<th>Unit</th>
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Professionals directly supervised by the incumbent

<table>
<thead>
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<th>Job Title</th>
<th>Grade</th>
<th>Number</th>
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</table>

Total number: _____

Job title of incumbent's supervisor: ____________________________ Grade: _____

Per cent of time:

1. Summarize the duties and responsibilities of the position and indicate in the margin the percentage of time spent on each:

2. What are the minimum knowledge requirements of the job?

<table>
<thead>
<tr>
<th>Education required</th>
<th>Length of practical experience required (at national level and/or at international level)</th>
<th>Language(s) proficiency required</th>
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<tr>
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</table>

3. Work role: What does the job require the incumbent to do? (Discuss the analysis, interpretation, adaptation, innovation, planning, co-ordinating and directing that the job requires.)

4. What subject area(s) or field(s) of work does the job cover and to what degree is specialization in these required?

5. Describe the control exercised by the supervisor in terms of planning, guiding and reviewing the incumbent's work:

-125-
6. Indicate which regulations, manuals, precedents or other guidelines apply to the incumbent's work and to what extent the incumbent is permitted to deviate from or establish new guidelines:

7. With whom (indicate title only) and for what purpose is the incumbent required to have contacts in the job? (Describe the most typical, not the most unusual, contacts.)

   Inside the Organization

   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ____________________________       __________________________
   person(s)                     purpose(s)

   Outside the Organization

   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ___________________________________________________________
   ____________________________       __________________________
   person(s)                     purpose(s)

8. Describe the most important type(s) of decision(s) the incumbent is authorized to take and why these are important:

9. Describe the most important types of proposals expected of the incumbent in the job and why these are important:

10. Describe the most damaging involuntary error(s) that could be made by the incumbent in the work and the effect(s) that would result:

    ____________________________       ____________________________
    Prepared by                        Job title                         Date
### Table C. Numbers of United Nations Common System Job Descriptions Evaluated by Occupational Group and by International Organization

<table>
<thead>
<tr>
<th>Occupational Groups</th>
<th>International Organizations</th>
<th>Total</th>
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<tr>
<td>Computer Specialist</td>
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<td>5</td>
</tr>
</tbody>
</table>
| General Technical Cooperation
  Administrator                      | 10       | 10   | 5   | 6   | 10 | 1   |     |     |     |      |      |      |      |      |      | 42 |
| Personnel Management Specialist    | 9        | 1    | 5   | 2   | 1  | 6   | 16  | 4   |     |      |      |      |      |      |      | 43 |
| Public Information Specialist       | 5        | 5    | 2   | 3   |    | 3   | 2   | 7   |     |      |      |      |      |      |      | 27 |
| Purchasing Agent                    | 4        | 2    | 2   | 1   | 5  | 5   | 1   |     |     |      |      |      |      |      |      | 20 |
| Representation, Coordination
  and Liaison Specialist             | 9        | 2    | 3   | 1   | 1  | 6   | 2   |     |     |      |      |      |      |      |      | 23 |
| Sanitary Engineer                   | 12       |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 12 |
| Telecommunications Engineer         | 9        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 16 |
| Nuclear Engineer                    | 3        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 3  |
| Librarian                           | 4        | 5    | 3   | 5   | 3  | 2   |     |     |     |      |      |      |      |      |      | 22 |
| Economists                          | 10       | 8    | 4   | 8   | 2  |     |     |     |     |      |      |      |      |      |      | 32 |
| Education Specialists               | 4        | 4    | 2   | 6   |    |     |     |     |     |      |      |      |      |      |      | 10 |
| Jurist                              | 6        | 3    | 5   | 5   | 3  |     |     |     |     |      |      |      |      |      |      | 22 |
| Agricultural Scientists             | 15       |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 15 |
| Biological Scientists               | 8        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 16 |
| Public Health Nutritionist          | 4        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 7  |
| Public Health Physician             | 23       |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 23 |
| Chemist                             | 6        | 2    | 3   |     |     |     |     |     |     |      |      |      |      |      |      | 11 |
| Nuclear Physicist                   | 4        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 7  |
| Meteorologist                       | 7        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 7  |
| Political Scientist                 | 3        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 3  |
| Sociologist                         | 4        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 5  |
| Statistician                        | 6        | 9    | 3   | 4   |    |     |     |     |     |      |      |      |      |      |      | 22 |
| Editor                              | 5        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 21 |
| Interpreter                         | 6        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 10 |
| Translator                          | 4        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 21 |
| Other groups                         | 1        |      |     |     |     |     |     |     |     |      |      |      |      |      |      | 13 |
| Total                               | 83       | 11   | 107 | 22  | 51 | 4   | 63  | 44  | 64  | 42  | 13  | 7    | 7    | 510  |     |   |
### Table D.

**Total Number of Jobs in the United Nations Common System at Headquarters and other Established Offices by Occupational Group and by International Organization a/**

<table>
<thead>
<tr>
<th>Occupational Groups</th>
<th>International Organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>UN/UNIDO</td>
<td>UNDP</td>
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<tr>
<td>Accountant</td>
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<td>Personnel Management Specialist</td>
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<td>Purchasing Agent</td>
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<td>Representation, Coordination and Liaison Specialist</td>
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<td>Sanitary Engineer</td>
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<tr>
<td>Telecommunications Engineer</td>
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<td>Nuclear Engineer</td>
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<tr>
<td>Translator</td>
<td>537</td>
<td>73</td>
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</tbody>
</table>

Total jobs in occupational groups covered in study: 3216 (86.1%), 495 (14.9%), 795 (23.8%), 120 (3.6%), 663 (19.7%), 84 (2.5%), 31 (0.9%), 1093 (33.1%), 310 (9.0%), 163 (4.8%), 428 (12.7%), 33 (0.9%), 44 (1.3%), 54 (1.6%), 7529 (21.5%).

Jobs in other occupational groups: 519 (15.6%), 275 (8.8%), 333 (10.0%), 83 (2.5%), 123 (3.8%), 12 (0.4%), 24 (0.7%), 223 (6.4%), 160 (4.8%), 140 (4.2%), 589 (17.5%), 32 (0.9%), 33 (1.0%), 21 (0.6%), 2587 (7.6%).

Total: 3735 (100%), 770 (20.7%), 1128 (30.4%), 203 (5.4%), 786 (21.2%), 116 (3.2%), 55 (1.5%), 2116 (57.1%), 470 (12.7%), 303 (8.2%), 1017 (27.6%), 65 (1.7%), 77 (2.1%), 75 (2.0%), 10116 (27.5%).

*a/ excluding technical assistance project jobs
### Table E. Numbers of U.S. Civil Service Job Descriptions Evaluated by Occupational Group and by U.S. Department or Agency

<table>
<thead>
<tr>
<th>Occupational Groups</th>
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<th>COMM.</th>
<th>ENERGY</th>
<th>HEDW</th>
<th>INT.</th>
<th>LABOR</th>
<th>STATE</th>
<th>EPA</th>
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<td>Editor</td>
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<tr>
<td>Interpreter</td>
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<tr>
<td>Translator</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>89</td>
<td>37</td>
<td>17</td>
<td>7</td>
<td>7</td>
<td>12</td>
<td>64</td>
<td>7</td>
<td>10</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>342</td>
</tr>
</tbody>
</table>

a/ List of abbreviations used for U.S. Departments and Agencies:
AGRI. - Department of Agriculture
COMM. - Department of Commerce
ENERGY - Department of Energy
HEDW - Department of Health, Education and Welfare
INT. - Department of the Interior
LABOR - Department of Labor
STATE - Department of State
EPA - Environmental Protection Agency
FCC - Federal Communications Commission
GSA - General Services Administration
NASA - National Aeronautics and Space Administration
USIA - United States Information Agency
Table F. GRADE RANGE COMPARISON ACCORDING TO POINT SCALE

<table>
<thead>
<tr>
<th>Point Scale</th>
<th>GS-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>D-2</td>
<td>GS-17</td>
</tr>
<tr>
<td>1000</td>
<td>GS-16</td>
</tr>
<tr>
<td>2500</td>
<td>GS-15</td>
</tr>
<tr>
<td>2000</td>
<td>GS-14</td>
</tr>
<tr>
<td>1500</td>
<td>GS-13</td>
</tr>
<tr>
<td>1000</td>
<td>GS-12</td>
</tr>
<tr>
<td>500</td>
<td>GS-11</td>
</tr>
<tr>
<td></td>
<td>GS-9</td>
</tr>
<tr>
<td></td>
<td>GS-7</td>
</tr>
<tr>
<td></td>
<td>GS-5</td>
</tr>
</tbody>
</table>
Explanatory notes

The determination of the benefit values is based on the following assumptions:

(i) the staff member retired as at 31 March 1978; or

(ii) disability or death in service occurred as at 31 March 1978; or

(iii) death after retirement occurred immediately after retirement which took place 31 March 1978;

(iv) in all cases, the staff member's salary over the last 36 months of service (1 April 1975 through 31 March 1978) was at the highest step at P-4 and GS-14 respectively, i.e. P-4 step XII and GS-14 step 10.

Thus the average pensionable remuneration (APR) of the United Nations staff member is based on three years of service at P-4 step XII, i.e. $39,549.42 per annum; the final net income consists of net base salary at dependency rate (salary scale effective in March 1978) plus class 6 of post adjustment (New York in March 1978) at dependency rate, i.e. $34,901.60 per annum.

The average gross remuneration (AGR) of the United States civil servant is based on three years of service at GS-14 step 10 (representing the highest three-year average of service), i.e. $36,294 per annum; the final net income has been calculated on the basis of gross salary (salary scale effective in March 1978) reduced by income tax according to the formula used for the "margin" calculation for a United States staff member with spouse (no children), i.e. $29,615 per annum.

The alternative for United States benefits, "without spouse's benefit", relates to the choice offered to the employee, to opt for a higher pension but without spouse's benefit (e.g. if unmarried or if the spouse is otherwise provided for) or to maintain the entitlement to benefit for the spouse, in which case the employee's own pension will be reduced by 2.5 per cent of the first $3,600 and 10 per cent of the balance.
### Table A

**Retirement benefit at or beyond normal retirement age**

<table>
<thead>
<tr>
<th>Years of service</th>
<th>United Nations</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent of final net income</td>
<td>Per cent of final net income</td>
</tr>
<tr>
<td></td>
<td>APR pension income</td>
<td>AGR pension income</td>
</tr>
<tr>
<td></td>
<td>With spouse's benefit</td>
<td>Without spouse's benefit</td>
</tr>
<tr>
<td>5</td>
<td>10 3 955 11</td>
<td>7.3 2 722 9</td>
</tr>
<tr>
<td>10</td>
<td>20 7 910 23</td>
<td>16 5 898 20</td>
</tr>
<tr>
<td>15</td>
<td>30 11 865 34</td>
<td>26 9 527 32</td>
</tr>
<tr>
<td>20</td>
<td>40 15 820 45</td>
<td>36 13 157 44</td>
</tr>
<tr>
<td>25</td>
<td>50 19 775 57</td>
<td>46 16 786 57</td>
</tr>
<tr>
<td>30</td>
<td>60 23 730 68</td>
<td>56 20 046 69</td>
</tr>
<tr>
<td>35</td>
<td>62 24 521 70</td>
<td>66 24 045 81</td>
</tr>
<tr>
<td>40</td>
<td>62 24 521 70</td>
<td>76 27 674 93</td>
</tr>
<tr>
<td>45</td>
<td>62 24 521 70</td>
<td>80 29 055 98</td>
</tr>
</tbody>
</table>

**Formulas for computation:**

- **2% of APR per year of service, maximum 30 years, plus 1% of APR per year of service for 2 years, maximum 62% after 32 years of service**
- **1-1/2% AGR per year of service up to 5 years, plus 1-3/4% per year of service for next 5 years, plus 2% per year in excess of 10; maximum 80%**
- **Years of service in the US Civil Service can include military and other forms of national service and unused sick leave**

- First $3,600 of pension reduced by 2-1/2%, balance by 10%
<table>
<thead>
<tr>
<th>Years of service</th>
<th>United Nations</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With spouse’s benefit</td>
<td>Without spouse's benefit</td>
</tr>
<tr>
<td></td>
<td>Per cent Annual net pension income</td>
<td>Per cent Annual net pension income</td>
</tr>
<tr>
<td>5</td>
<td>7% 2 769 8%</td>
<td>*</td>
</tr>
<tr>
<td>10</td>
<td>14% 5 537 16%</td>
<td>*</td>
</tr>
<tr>
<td>15</td>
<td>21% 8 306 24%</td>
<td>*</td>
</tr>
<tr>
<td>20</td>
<td>28% 11 074 32%</td>
<td>*</td>
</tr>
<tr>
<td>25</td>
<td>45% 17 798 51%</td>
<td>*</td>
</tr>
<tr>
<td>30</td>
<td>54% 21 357 62%</td>
<td>56% 20 416 69%</td>
</tr>
<tr>
<td>35</td>
<td>56% 22 069 64%</td>
<td>66% 24 045 81%</td>
</tr>
</tbody>
</table>

* Early retirement benefits not available under normal circumstances.

Table B
Early retirement benefit at age 55

Formulae

Reduction in accrued benefit
in case of retirement at age
computation: 55: 30% if less than
25 years of service; 10% if
25 years of service or more

No reduction
in accrued benefit

No reduction
in accrued benefit
## Table C

**Disability benefit**

<table>
<thead>
<tr>
<th>Years of service</th>
<th>United Nations</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent of APR</td>
<td>Annual pension</td>
</tr>
<tr>
<td></td>
<td>Per cent of final net income</td>
<td>Annual pension</td>
</tr>
<tr>
<td></td>
<td>Per cent of final net income</td>
<td>Annual pension</td>
</tr>
<tr>
<td>actual + remaining potential up to age 60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability at age 25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 35</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>Disability at age 30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 30</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>10 plus 30</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>Disability at age 40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 20</td>
<td>50</td>
<td>19,775</td>
</tr>
<tr>
<td>10 plus 20</td>
<td>60</td>
<td>23,730</td>
</tr>
<tr>
<td>20 plus 20</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>Disability at age 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 10</td>
<td>30</td>
<td>11,865</td>
</tr>
<tr>
<td>10 plus 10</td>
<td>40</td>
<td>15,820</td>
</tr>
<tr>
<td>20 plus 10</td>
<td>60</td>
<td>23,730</td>
</tr>
<tr>
<td>30 plus 10</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>Disability at age 55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 5</td>
<td>20</td>
<td>7,910</td>
</tr>
<tr>
<td>10 plus 5</td>
<td>30</td>
<td>11,865</td>
</tr>
<tr>
<td>20 plus 5</td>
<td>50</td>
<td>19,775</td>
</tr>
<tr>
<td>30 plus 5</td>
<td>62</td>
<td>24,521</td>
</tr>
<tr>
<td>35 plus 5</td>
<td>62</td>
<td>24,521</td>
</tr>
</tbody>
</table>

**Formulas for computation:**

- Projected age 60 benefit
- Accrued benefit; minimum of the lesser of projected age 60 benefit or 40% of AGR

*According to actuarial studies quoted in the Hewitt Associates Report, 25% of all retirements under the United States Civil Service retirement system are due to disability as compared to 5% at the United Nations where the determination of disability is more rigorous.*
Table D
Pre-retirement spouse's benefit
(death of staff member in service)

<table>
<thead>
<tr>
<th>Years of service</th>
<th>United Nations</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent of APR</td>
<td>Annual pension</td>
</tr>
<tr>
<td></td>
<td>Per cent of final net income</td>
<td>Per cent of final net income</td>
</tr>
<tr>
<td>actual + remaining potential up to age 60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Death at age 25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 35</td>
<td>31</td>
<td>12,260</td>
</tr>
<tr>
<td>Death at age 30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 30</td>
<td>31</td>
<td>12,260</td>
</tr>
<tr>
<td>10 plus 30</td>
<td>31</td>
<td>12,260</td>
</tr>
<tr>
<td>Death at age 40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 20</td>
<td>22</td>
<td>9,887</td>
</tr>
<tr>
<td>10 plus 20</td>
<td>30</td>
<td>11,865</td>
</tr>
<tr>
<td>20 plus 20</td>
<td>31</td>
<td>12,260</td>
</tr>
<tr>
<td>Death at age 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 10</td>
<td>15</td>
<td>5,932</td>
</tr>
<tr>
<td>10 plus 10</td>
<td>20</td>
<td>7,910</td>
</tr>
<tr>
<td>20 plus 10</td>
<td>30</td>
<td>11,865</td>
</tr>
<tr>
<td>30 plus 10</td>
<td>31</td>
<td>12,260</td>
</tr>
<tr>
<td>Death at age 55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 plus 5</td>
<td>10</td>
<td>3,955</td>
</tr>
<tr>
<td>10 plus 5</td>
<td>15</td>
<td>5,932</td>
</tr>
<tr>
<td>20 plus 5</td>
<td>22</td>
<td>9,887</td>
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<td>12,260</td>
</tr>
<tr>
<td>35 plus 5</td>
<td>31</td>
<td>12,260</td>
</tr>
</tbody>
</table>

Formulas for computation:
50% disability benefit; min. is lesser of $750 per year or 100% accrued benefit

55% accrued benefits; min. 55% of lesser of projected age 60 benefit or 40% of AGR
Table E
Post-retirement spouse's benefit
(death of former staff member after full retirement)

<table>
<thead>
<tr>
<th>Years of service</th>
<th>United Nations</th>
<th></th>
<th>United States</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per cent of APR</td>
<td>Annual pension</td>
<td>Per cent of final net income</td>
<td>Per cent of AGR</td>
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<tr>
<td>5</td>
<td>5</td>
<td>1,970</td>
<td>6</td>
<td>4.1</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>3,955</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>5,933</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>7,910</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>25</td>
<td>25</td>
<td>9,888</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>30</td>
<td>30</td>
<td>11,865</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>35</td>
<td>31</td>
<td>12,261</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td>40</td>
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<td>12,261</td>
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</tr>
<tr>
<td>45</td>
<td>31</td>
<td>12,261</td>
<td>35</td>
<td>44</td>
</tr>
</tbody>
</table>

Formulae for computation: 50% of employee's pension (with certain minimums) continued to spouse (provided employee has elected to have this benefit)
### ANNEX V

**Salary scale of the General Service category in Paris:**

**Summary and main features of the scale recommended by the Commission**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Coefficients (gross)</th>
<th>Step Value (gross)</th>
<th>STEPS</th>
<th>Overlap step in relation to preceding grade at step 11</th>
<th>Relationship to present scale at step 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS-1</td>
<td>80</td>
<td>1,996</td>
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<td>(1)</td>
<td>49,912 59,692 69,872 75,860</td>
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<td></td>
<td></td>
<td>(2)</td>
<td>39,638 46,824 53,810 58,002</td>
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</tr>
<tr>
<td>GS-2</td>
<td>90</td>
<td>2,246</td>
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<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
<td>(3)</td>
<td>56,151 67,381 78,611 85,349</td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td>(4)</td>
<td>44,206 52,067 64,297</td>
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<tr>
<td>GS-3</td>
<td>100</td>
<td>2,496</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(5)</td>
<td>62,390 74,870 87,350 97,333</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(6)</td>
<td>48,573 57,308 65,598 72,087</td>
<td></td>
</tr>
<tr>
<td>GS-4</td>
<td>120</td>
<td>2,995</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(7)</td>
<td>74,870 89,845 104,820 119,795</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(8)</td>
<td>62,390 74,870 87,350 97,333</td>
<td></td>
</tr>
<tr>
<td>GS-5</td>
<td>140</td>
<td>3,494</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(9)</td>
<td>87,346 104,816 122,286 136,262</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(10)</td>
<td>65,595 76,950 88,072 96,457</td>
<td></td>
</tr>
<tr>
<td>GS-6</td>
<td>168</td>
<td>4,193</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(11)</td>
<td>104,815 125,760 146,745 159,324</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(12)</td>
<td>76,950 90,168 102,747 110,168</td>
<td></td>
</tr>
</tbody>
</table>

- **a/** The figures appearing on this table relate to 1 January 1978. They will need to be updated to the date of implementation of the revised salary scale.
- **b/** In these four columns, the upper figure represents gross salaries, the lower figure net salaries.
- **c/** The maxima are: step 14 for grades GS-1, GS-2 and GS-6; step 15 for grades GS-3 and GS-5; and step 16 for grade GS-4.
- **d/** This is the step in which a staff member is placed upon promotion if he is at step 11 or at the maximum step, as the case may be, of his previous grade.
- **e/** The recommended scale represents a reduction of 5 per cent compared to the present scale (of 1 January 1978), on a weighted average.