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 Co-ordination</td>
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<td>ACPAQ</td>
<td>Advisory Committee on Post Adjustment Questions</td>
</tr>
<tr>
<td>CCAQ</td>
<td>Consultative Committee on Administrative Questions</td>
</tr>
<tr>
<td>CCISUA</td>
<td>Co-ordinating Committee for Independent Staff Unions and</td>
</tr>
<tr>
<td>CCOG</td>
<td>Common Classification of Occupational Groups</td>
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<td>CERN</td>
<td>European Organization for Nuclear Research</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>CSRS</td>
<td>United States civil service retirement scheme</td>
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<td>ECA</td>
<td>Economic Commission for Africa</td>
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<td>EEC</td>
<td>European Economic Community</td>
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<td>EGSL</td>
<td>Extended General Service Level</td>
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<td>FAFICS</td>
<td>Federation of Associations of Former International Civil Servants</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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<tr>
<td>ICSC</td>
<td>International Civil Service Commission</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IMO</td>
<td>International Maritime Organisation</td>
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<td>IRS</td>
<td>Internal Revenue Service</td>
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<td>ITU</td>
<td>International Telecommunication Union</td>
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<td>NRS</td>
<td>National recruitment services</td>
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<td>OPM</td>
<td>United States Office of Personnel Management</td>
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<td>SES</td>
<td>United States Senior Executive Service</td>
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<td>UNICEF</td>
<td>United Nations Children's Fund</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>UNJSPB</td>
<td>United Nations Joint Staff Pension Board</td>
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<td>UNJSPF</td>
<td>United Nations Joint Staff Pension Fund</td>
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<td>UNV</td>
<td>United Nations Volunteers</td>
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<td>UPU</td>
<td>Universal Postal Union</td>
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<td>WAPA</td>
<td>Weighted average of post adjustments index</td>
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<td>WHO</td>
<td>World Health Organization</td>
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LETTER OF TRANSMITTAL

19 August 1985

Sir,

I have the honour to transmit herewith the eleventh annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute. It includes information on the implementation of its recommendations and decisions by organizations of the United Nations common-system.

I should be grateful if you would submit this report to the General Assembly and, as provided in 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.

(Signed) Richard M. AKWEI
Chairman of the
International Civil
Service Commission

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General of the
United Nations
New York
### SUMMARY OF RECOMMENDATIONS THAT CALL FOR DECISIONS BY THE GENERAL ASSEMBLY OF THE UNITED NATIONS AND THE LEGISLATIVE ORGANS OF THE OTHER PARTICIPATING ORGANIZATIONS

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<td>33 and 42</td>
<td>The Commission maintains the view it expressed last year on continuation of the procedure for adjustment of pensionable remuneration in between comprehensive reviews, with two modifications, as indicated in paragraph 33.</td>
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<td>118 and 131 (b)</td>
<td>The Commission recommends a range 110 to 120 for the net remuneration margin and considers that the mid-point of around 115 would constitute a desirable level around which the net remuneration margin should be maintained over a period of time.</td>
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<td>120-125 and 130(c)</td>
<td>The Commission recommends approval of the procedure outlined under paragraphs 120 to 125, which would enable it to operate the post adjustment system within the approved range for the net remuneration margin.</td>
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<td>Health insurance</td>
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<td>162</td>
<td>The Commission endorses the recommendation that after-service health insurance should be provided to staff who participate in the United Nations appendix E health care scheme, and recommends that appendix E be reformulated to permit a staff member to contribute and to permit an after-service health insurance benefit structure comparable to other schemes of the common system.</td>
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<td>164</td>
<td>The Commission considers that health insurance should be mandatory. However, the exact application of the concept of mandatory health insurance should be left to the organizations to determine.</td>
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<td>Long-service step</td>
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<td>174</td>
<td>The Commission maintains the recommendation made in its tenth annual report on the introduction of one long-service step in the salary scale of the professional category P-1 to P-5. The General Assembly might wish to make representation to the governing bodies of WHO and ILO to consider a harmonization of practices within the United Nations common system.</td>
</tr>
<tr>
<td>Support of Staff with disabled dependants</td>
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<tr>
<td>The Commission recommends that effective 1 January 1986:</td>
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<td>(a)</td>
<td>At the discretion of the executive heads, the lower age limit for the payment of the special education grant for disabled children be waived</td>
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(b) In exceptional cases the executive heads might extend the age limit for the payment of the special education grant to age 28;

(c) In those instances where the staff member has to place a disabled child in an educational institution away from the duty station, expenses relating to special education grant travel should be reimbursed up to the cost of two trips per annum between the educational institution and the duty station;

(d) In very exceptional circumstances, and at the discretion of the executive head, travel expenses might also be reimbursed for the person accompanying a disabled child;

(e) Expenses for special equipment required for the rehabilitation of a disabled child be reimbursed, if not otherwise covered under health insurance, up to a maximum of $US 1,000 per annum;

(f) The limit for the reimbursement of medical expenses incurred on account of a disabled child of a staff member be increased in the case of staff members covered under appendix E of the United Nations Staff Rules;

(g) Transportation costs up to twice the reimbursement made for normal group transportation arrangements might be reimbursed for local transportation required for disabled children.

**Education grant**

After reviewing the issues raised by the General Assembly, and considering the relevant decisions made in the past by it and its predecessor bodies, the Commission decides:

(a) To reaffirm the position taken by the Commission at its sixteenth session and reported to the General Assembly in its eighth annual report that there would appear to be no need to make any changes in the criteria for application of the educational grant at the present time, including its application to university-level study;

(b) To confirm that the Commission is also of the opinion that the practice of recognizing post-secondary institutions outside the home country or the country of the duty station is still justified;

(c) To reiterate its earlier view that the education grant should continue to be an expatriate benefit to be granted only to those with expatriate status, with the exception of those nationals returning to their home country following an assignment elsewhere who are allowed to claim the grant for the balance of a school year, not exceeding one full year.
The Commission considers that:

(a) While special recruitment measures are essential in effecting significant change in the status of Professional women in the organizations, the success of such measures is largely dependent on the extent to which the institutional and attitudinal climate of the organizations could also be transformed;

(b) The organizations should note the statistical data provided by the organizations, which indicate that there appears to be a barrier to the advancement of women beyond the P-4 level; that two thirds of the Professional women work in occupations that provide support services to the substantive programmes of the organizations; and that the vast majority of those women come from only two regions of the world;

(c) The organizations should take into account the priority that should be given to recruitment at senior levels, impress upon Governments their commitment to the principle of employing more women, especially for such high-level posts, and work closely with them to develop better recruitment sources for that purpose;

(d) The two major policy objectives of achieving a more equitable geographical distribution and of recruiting more Professional women are not incompatible, provided determined efforts are made to expand the recruitment sources to which the organizations have access;

(e) The organizations should be recommended to convene a meeting of the heads of recruitment to discuss common prospection procedures and strategies;

(f) The organizations should broaden their supply of women candidates from unrepresented and underrepresented Member States by actively exploring recruitment sources such as national women's bureaux, alumnae of major universities, non-governmental organizations, national officers, former recipients of fellowships, associate experts and United Nations volunteers;

(g) The organizations should make every effort to expand their supply of women candidates for substantive posts in occupations not usually identified as fields of work for women by sending observers to meetings of professional associations, contacting universities, selecting women for short-term consultancies and requesting Governments to designate more women for technical working groups and advisory bodies;

(h) The need in particular to strengthen the presence of Professional women in technical co-operation programmes should be stressed, given, on the one hand, the direct impact of such programmes on women in development and, on the other, the very low percentage of women in project posts;
(i) The most obvious way of effecting behavioural change is through training and organizations should introduce sensitizing courses for all staff that point out and validate gender differences along the lines of the self-assessment training module described in the secretariat's study;

(j) The organizations should avail themselves of the potential offered through in-service training and ensure that women's concerns were adequately reflected in such training programmes.

The Commission further recommends that all organizations that have not already done so should be requested to establish a body, comprised of representatives of both staff and management, to set goals for the advancement of women staff, develop timetables, formulate action programmes and monitor progress. Such bodies should focus their efforts on each of the areas set out in subparagraphs (a), (b) and (c) on recruitment, career development and grievance systems and conditions of service to the extent they are applicable and the organizations should be requested to identify those managers who are to be held accountable for implementation.

Development of recruitment sources, including national recruitment services (NRS)

The Commission agreed:

(a) To note decision 82/7 of the Governing Council of the United Nations Development Programme (UNDP) and to reaffirm the need for continuous efforts to establish and strengthen NRS;

(b) To request its Chairman to inform the Administrator of UNDP of its recommendations on this study with the request that they be brought to the attention of the UNDP Governing Council in response to decision 82/7;

(c) To emphasize the importance of appropriate recruitment measures for technical co-operation personnel;

(d) To request the organizations further to harmonize and co-ordinate their recruitment efforts in order to take into account the overlap in occupations for which they recruited, as well as the potential advantages of a common approach to Member States;

(e) To request the organizations to pay due regard to the development of recruitment sources for technical assistance personnel on as wide a geographical basis as possible;

(f) To request the organizations to provide forecasts of recruitment requirements to Member States, NRS and other recruitment sources and to circulate standard job descriptions or general functional descriptions of the type of expertise and skills that they wish to retain in their rosters whenever the preparation of detailed forecasts would be impractical;
(g) To request its secretariat to pay due attention to the application by the organizations of the Common Classification of Occupational Groups (CCOG) in its forthcoming study on the use of rosters;

(h) To stress the potential benefits of recruitment missions for the development of recruitment sources, especially in underrepresented or unrepresented countries, and to note that the effectiveness of such recruitment missions is closely linked to the preparatory work done by organizations, Member States and NRS;

(i) To recommend that the active participation of senior field staff in the recruitment process, including agency representatives and chief technical advisers, could enhance the organizations’ efforts to develop their recruitment networks and strengthen their rosters;

(j) To reiterate the need to provide adequate training in interviewing techniques to all staff directly involved in the selection process, both at headquarters and in the field;

(k) To request the organizations to make full use of those NRS that have already been established and keep them informed at all times of their programmes in the country concerned;

(l) To recommend that the organizations of the common system could benefit from the strengthening of NRS as a whole, since that would allow for a concentrated and consolidated recruitment effort targeted at specific sources linked to both occupational groups and special target groups, such as women;

(m) To request the governing bodies of the organizations to welcome the constructive proposals made by some Member States to provide the means for the establishment of training programmes for newly established NRS, and to request both the organizations and the interested Member States to pursue such proposals actively;

(n) To request the governing bodies of the organizations to recommend to Member States that have no special provisions to facilitate the secondment of their nationals to organizations of the common system that they consider special measures and appropriate legislation to that effect;

(o) To request the governing bodies of the organizations to recommend that those Member States that have not yet done so consider the conclusion of an agreement on the transfer of pension rights with the United Nations Joint Staff Pension Fund (UNJSPF), in order to enable their nationals to move freely between government service and service with common system organizations;
To recommend that the organizations consider using reimbursable loan agreements for specific technical assignments of limited duration in the context of technical co-operation activities, in order to obtain access to candidates whose career commitments would otherwise preclude service with the common systems.

To recommend that the organizations make full use of the United Nations Volunteers (UNV), the associate experts scheme and non-governmental organizations as ongoing sources to develop their rosters;

To note the valuable contribution that retired persons from outside the common system could make to technical co-operation activities and to request the organizations to consider such candidates in fields of work where expertise is scarce.

**Competitive examinations**

The Commission is of the opinion that the positive experience of the United Nations with competitive examinations deserves more attention and that an extension of such a recruitment method to other organizations of the common system should certainly be considered. The Commission upholds the principle of competitive examinations as a useful and objective tool for recruitment, especially for the junior levels. While recognizing the constraints imposed by the paucity of candidates in certain given fields and the small number of junior posts available, the Commission also recommends that organizations consider the use of competitive examinations as much as possible, and especially for promotion from the General Service category to the Professional category.
## SUMMARY OF FINANCIAL IMPLICATIONS OF THE COMMISSION'S RECOMMENDATIONS AND DECISIONS FOR THE UNITED NATIONS AND PARTICIPATING ORGANIZATIONS

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<td>144</td>
<td>The financial implications of the Commission's recommendations for the United Nations and other organizations at Geneva amount to $1,572,500 per annum. Of these, the implications for the United Nations are $599,850 in respect of the General Service and $22,500 per annum for teachers, and for the General Service in other Geneva-based organizations $950,150 per annum.</td>
</tr>
<tr>
<td>145</td>
<td>Survey of best prevailing conditions of the General Service category in London</td>
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<tr>
<td></td>
<td>The financial implications of the Commission's recommendations based on its survey in London amount to $275,000 per annum.</td>
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### Health insurance

| Paragraphs | The financial implications of introducing after-service health insurance coverage for locally recruited staff participants in the United Nations health care scheme under appendix E to the United Nations staff rules are $80,000 per annum. |
| 156 and 162 | Long-service step |
|            | The financial implications of introducing the additional long-service step in the salary scales of the Professional category in grades P-1 to P-5 are $300,000 per annum. |

### Support of staff with disabled dependants

| Paragraphs | The financial implications for all the organizations of the common system of the recommendations made that would enable staff members to meet costs incurred as a result of the education and rehabilitation of dependent disabled children amount to $150,000 per annum. |
| 180-182    | Conditions of service in the field |
|            | The savings realized through adherence by all the organizations to the Commission's decision on payment to internationally recruited staff of pre-departure expenses before reassignment to another duty station, but not on separation from service, will amount to some $400,000 per annum. |
| 198-199    | The additional costs of providing ad hoc financial incentives to staff serving in specified duty stations in Lebanon are $222,000 per annum as long as the emergency situation prevails. |
| 200        | The total financial implications of the Commission's relevant decisions and recommendations for the United Nations common system are approximately $2,199,500. |
CHAPTER I

ORGANIZATIONAL MATTERS

A. Acceptance of the statute

1. There has been no change in the situation as regards formal acceptance of the statute since the submission of the Commission’s eighth annual report. 1/

B. Membership

2. The General Assembly, at its thirty-ninth session, appointed two persons and reappointed four other members of the Commission to terms of office commencing on 1 January 1985 (decision 39/322 of 13 December 1984). Mr. Carlos S. Vegega (Argentina) was designated Vice-Chairman.

3. Consequently, the membership of the Commission for 1985 is as follows:

   Mr. Richard M. Akwei (Ghana), Chairman**
   Mr. Aminad Ali (Pakistan)***
   Chief Michael O. Ani, O.F.R., C.F.R. (Nigeria)***
   Mr. Michelle-Auchère (France)*
   Mr. Moulaye El Hassen (Mauritania)** (resigned July 1985)
   Mr. Ralph Endell (Finland)*
   Mr. Dayton W. Hull (United States of America)**
   Mr. Masao Kanazawa (Japan)* (deceased, 23 March 1985)
   Mr. Helmut Kitchtenberg (Federal Republic of Germany)*
   Mr. Jirí Nosek (Czechoslovakia)** (resigned July 1985)
   Mr. Antonio Fonseca Pimentel (Brazil)*
   Mr. Omar Sirry (Egypt)***
   Mr. Valery Vasylyevich Tsybukov (Union of Soviet Socialist Republics)***
   Mr. Carlos S. Vegega (Argentina), Vice-Chairman**
   Mr. M. A. Vellodi (India)***

   * Term of office expires on 31 December 1985.
   ** Term of office expires on 31 December 1986.
   *** Term of office expires on 31 December 1988.

4. The Commission learned with deep regret of the death, on 23 March 1985, of Mr. Masao Kanazawa (Japan). In July 1985, Mr. El Hassen and Mr. Nosek submitted their resignations from the Commission, which, in accordance with article 5 of the Commission's statute, will take effect in October 1985.

C. Sessions held by the Commission and questions examined

5. The Commission held two sessions in 1985: the twenty-first and twenty-second, which were held at the headquarters of the International Maritime Organization.
(IMO) in London from 11 to 29 March 1985 and at United Nations Headquarters in New York from 8 to 26 July 1985 respectively.

6. The Commission, at its twenty-first and twenty-second sessions, examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are reported on in the present document.

D. Action in relation to resolutions and decisions of the General Assembly at its thirty-ninth session (arising from the tenth annual report of the Commission)

7. The Commission took action in relation to resolutions and decisions of the General Assembly at its thirty-ninth session, as reported below, in respect of the following matters:

Resolution 39/27 of 30 November 1984

(a) The post adjustment for New York and implications for other duty stations, the Noblemaire principle and the margin (see paras. 98-131 below).

(b) The report of the Joint Inspection Unit on staff costs and some aspects of utilization of human and financial resources in the United Nations Secretariat (A/39/522 and Corr.1) (see paras. 80-97 below).

Resolution 39/69 of 13 December 1984

(a) Long-service steps (see paras. 165-174 below);

(b) Competitive examinations (see paras. 258-263 below);

Resolution 39/246 of 18 December 1984

Pensionable remuneration (see paras. 11-42 below).

8. The Commission further considered the following matters raised by the General Assembly at its thirty-eighth session, as reported below:

Resolution 38/232 of 20 December 1983

(a) Education grant (see paras. 183-191 below);

(b) After-service health insurance (see paras. 154-164 below).

E. Subsidiary body

10. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the commission in 1976, held its tenth session at the headquarters of the United Nations Industrial Development Organization (UNIDO) at Vienna from 7 to 17 May 1985. It consisted of the following members: Mr. Jirí Nosek, member of the Commission and Chairman of the Committee; Mr. Hugues Picard (France); Nana Wereko Ampem II (Ghana); Mrs. Carmen McFarlane (Jamaica); Mr. Saw Swee Hock (Singapore); and Mr. Andrei F. Revenko (Union of Soviet Socialist Republics). Following the subsequent resignation of Mr. Nosek as Chairman of ACPAQ, the Commission decided to appoint Mr. Carlos S. Vegega (Argentina), currently Vice-Chairman of the Commission, to serve in his personal capacity as Chairman of ACPAQ.
CHAPTER II
PENSIONABLE REMUNERATION

11. The Commission considered the request made by the General Assembly in its resolution 39/246, section II, to:

   (a) Review the methodology for the determination of pensionable remuneration for the Professional and higher categories and for monitoring the level of pensionable remuneration, in co-operation with the United Nations Joint Staff Pension Board and after taking into account the views expressed in the Fifth Committee of the United Nations General Assembly, and to submit a report thereon to the General Assembly at its fortieth session, so that the Assembly could consider whether it would be appropriate to request the Commission to propose a new scale of pensionable remuneration to its forty-first session;

   (b) Re-examine, in co-operation with the United Nations Joint Staff Pension Board the procedure for adjustment of pensionable remuneration in between comprehensive reviews, taking into account the views expressed in the Fifth Committee, and to report thereon to the General Assembly at its fortieth session.

In the latter connection, the Commission also noted that in the meantime the General Assembly had suspended the operation of the adjustment procedure in article 54 (b) of the Regulations of the United Nations Joint Staff Pension Fund and deferred until its fortieth session further consideration of the recommendation of the Pension Board regarding amendment to that article.

Views of the organizations and staff representatives

12. The Chairman of the Consultative Committee on Administrative Questions (CCAQ) noted it was not possible to contemplate any modification in the methodology for establishing pensionable remuneration, which was approved in 1984, since the provisions governing pensions in the United States federal civil service were in a state of flux and uncertainty. CCAQ saw that fact as a confirmation of the misgivings it had expressed in 1984. At that time CCAQ had indicated that it was unwise to tie the methodology used in the United Nations system too closely to conditions in the United States federal civil service. The Committee preferred the Commission not to make new proposals for changes in the adjustment mechanism now. It should be examined in 1986 with a view to re-introducing an automatic adjustment system from 1 January 1987. The implications of freezing pensionable remuneration beyond one or two years could be serious for the actuarial situation of the Pension Fund and, as far as participants were concerned, would result in the creation of unwarranted distinctions among retirees based on their date of retirement.

13. The President of the Federation of International Civil Servants' Associations (FICSA) recalled that the Federation had expressed strong reservations on the methodology for determining pensionable remuneration in view of the close link with the United States federal civil service retirement scheme. Now that scheme had been abandoned and an alternative scheme had not yet been approved, ICSC was not in a position to make any recommendations. FICSA requested that alternative methodologies be studied and emphasized the urgent need for an adjustment mechanism pending the establishment of new scales of pensionable remuneration. The proposed freeze of pensionable remuneration was not a logical consequence of the freeze of post adjustment; moreover, it was inconsistent with the Commission's own proposal.
to base adjustments of personable remuneration on the New York consumer price index (CPI). The proposed freeze would have the additional undesirable result of providing different pensions to staff retiring on different dates. FICSA urged the Commission to reiterate its position on transitional measures.

14. The Convenor of the Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA) considered that the methodology could be reviewed at a future session, but any future proposal should reflect full collaboration with the Pension Board. The idea of using reverse application of staff assessment rates deserved further study. In any event, personable remuneration levels should not be tied too closely to the practices of any one Member State, nor should changes in the rates be too frequent. As transitional arrangements were a necessary element in the introduction of any new scheme, CCISUA objected to freezing the adjustment mechanism, which should be automatic, and pointed to adverse effects on the Fund if such a freeze were extended.

15. The representative of the Federation of Associations of Former International Civil Servants (FAFICS) stated that failure to adjust personable remuneration levels while benefits in payment were being adjusted for cost-of-living increases should not raise serious problems. There had been no close correlation between levels of personable remuneration and actual pensions received in different countries, and there did not seem to be any logical reason for such a link. The matter was complicated and would, in any event, be dealt with by UNJSPB.

16. The Secretary of UNJSPB recalled the decisions of the Standing Committee of the Board with regard to the methodology for the determination of personable remuneration and its adjustment procedure. He agreed with the proposals presented in the document, namely, not to propose any further changes in the methodology for the coming year until the situation with regard to United States federal civil service pensions was clarified. He preferred an automatic adjustment system but concluded that the Pension Fund could endure a short period without an adjustment.

Discussion and decisions of the Commission

Methodology for the determination of personable remuneration

17. The Commission recalled that at the time it had recommended the methodology the was used to arrive at the scale of personable remuneration approved by the the thirty-ninth session of the General Assembly for implementation with effect from 1 January 1985, it had also indicated at that time that a number of elements were taken into account in the determination of the levels of personable remuneration "Specifically, gross and net salaries applicable to United States federal civil service employees, net remuneration applicable to United Nations officials in New York, the United Nations/United States margin, average lengths of service of retirees eligible to receive pension annuities, adjustments made within the framework of total compensation comparisons to account for the differences in length of service, are some of the important elements which can influence the outcome of calculations using the approach suggested. Furthermore, as gross and net salaries of United States federal civil service employees are used as important elements in the methodology, the United States rates of taxation (federal, state and local, as applicable) are implicitly reflected in the results. Changes in one or more of these factors can affect the outcome of the calculations substantially. It would, therefore, be essential for the Commission to monitor these factors on a continuous basis and report thereon to the General Assembly as appropriate."
18. The Commission had cited the above factors as requiring constant monitoring on the assumption that the United States retirement scheme and the UNJSPF pension scheme would, grosso modo, remain unchanged for the foreseeable future. Since the basis of comparison with the United States federal civil service involved the comparison of gross pension values expressed as percentages of net remuneration after the same length of service on both sides, if substantial changes in the retirement scheme applicable to one side or the other were to be introduced, a fundamental review of the methodology would be called for. While the pension scheme applicable to United Nations officials has remained unchanged, substantial changes in the civil service retirement scheme (CSRS) applicable to United States federal civil service employees were expected in the near future.

19. Following a decision of the United States Congress, a change in the pension benefit scheme for United States federal civil service employees hired after 1 January 1984 was anticipated. The United States Congress had decided that employees joining the Federal Government of the United States after 1 January 1984 would continue to contribute approximately 7 per cent of their gross salaries towards the retirement scheme, of which 1.3 per cent would go towards the civil service retirement scheme and the remainder used as contributions to the social security scheme. The new entrants would be eligible to receive social security benefits and technically would also be eligible to receive CSRS benefits. Congress, however, indicated that it would consider an alternative retirement scheme for new entrants to go into effect no later than 1 January 1986 and, when the new scheme became effective, employees hired after 1 January 1984 would automatically become eligible to receive benefits under the alternative scheme.

20. The Commission noted that various schemes were currently before the United States Congress. While it was impossible to ascertain the form of the new CSRS to be approved by the Congress, it was nevertheless possible to foresee the basic features on which the plan was likely to be based. Most of the proposals before the Congress entailed:

   (a) The continuation of the current retirement scheme with some modifications, e.g. an increase in the age of retirement without reduction in benefits to age 65, substantial reduction in benefits for those retiring before the age of 65, changes in the formulae for benefit calculation, etc.;

   (b) Payment of social security benefits;

   (c) Savings or thrift plans with part of the contributions coming from the United States Government;

   (d) A tax-deferred individual retirement account.

21. Most proposals currently before the United States Congress envisaged the use of a combination of proposals outlined in (b) to (d) above. Employees who joined before 1 January 1984 were most likely to be given an opportunity to choose between the old and the new system.

22. If the benefits accruable to retirees from the United States federal civil service who joined the system after 1 January 1984 were to be substantially different from those paid under the current CSRS, that element would have a considerable impact on the application of the methodology. Furthermore, some of the plans before the Congress, for example that proposed by the Office of Personnel Management were such that employees would not know until they retired what their
retirement benefit would be. If such a plan were to be approved, the determination of pension benefits for United States federal civil service employees, which was the first step in the application of the methodology used by the Commission last year, would become impossible. Under such circumstances, it might become essential for the Commission to devise a new approach for the determination of pensionable remuneration for the Professional and higher categories.

23. The Commission noted that the General Assembly had requested it to report on the subject to its fortieth session. However, in view of the state of flux in the retirement scheme of the comparator, the Commission decided to bring the above information to the attention of the General Assembly with a suggestion that, following receipt of the details of the new CSRS applicable to United States federal civil service employees, it would undertake a further review of the methodology used for the determination of pensionable remuneration.

24. The Commission agreed that, irrespective of whether or not it addressed the issue of the methodology on the basis of information on the revised CSRS applicable to United States federal civil service employees, it would be essential for it to address the concerns expressed by the General Assembly and report thereon to the Assembly at its forty-first session. A preliminary consideration of those concerns was undertaken by the Commission and is reported below.

Reflection of the expatriate margin in the amounts of pensionable remuneration

25. A view was expressed in 1984 in the Fifth Committee of the United Nations General Assembly that, since pensioners were in principle not supposed to be expatriates like serving officials, no expatriate element should be reflected in the Pensionable remuneration. The following three factors were taken into account to justify a margin:

(a) The relatively better position of national, as compared with international, services to guarantee stability and security of employment;

(b) The more limited prospects of promotion to the highest posts in an international secretariat compared with such prospects in most national services;

(c) The fact that a large proportion of any international staff was required to incur additional expense and to make certain sacrifices by living away from their home country.

26. While the Commission and its predecessor bodies have used these three factors together with the recognition of a need to provide an incentive to recruit and retain employees from the highest paid civil service, as the basis for a margin on the United Nations side, a quantification of the individual factors has never been attempted as this would be an extremely complex exercise. Some, or all, of these factors, perhaps with a change in their relative importance, must also be reflected in the determination of the amounts of pensionable remuneration. It had been found to be practically impossible to assign specific values to each one of the factors in the definition of a net remuneration margin. Therefore, quantification of the factors in the context of pensionable remuneration amounts promised to be an equally difficult task. The Commission will nevertheless revert to this issue in 1986.
Reflection of the cost-of-living differential between New York and Washington, D.C.

27. The cost-of-living differential between New York and Washington, D.C., is taken into account in the determination of the net remuneration margin. A view was expressed in the Fifth Committee that that particular factor could not be justified in the determination of pensionable remuneration amounts. The Commission was of the view that, as the salaries of United Nations officials in New York were determined from the point of view of their adequacy at the base of the United Nations system, i.e. New York, then those salaries, if determined by comparison to United States federal civil service salaries applicable in Washington, D.C., must take into account the cost-of-living differential between the two cities in accordance with the principle of equalization of purchasing power. The commission was furthermore of the view that the salaries applicable at the base of the system, New York, should form the basis for the determination of the levels of pensionable remuneration amounts for the Professional and higher categories. It could not therefore find a rationale to reduce the remuneration in New York by the equivalent of the cost-of-living differential between New York and Washington, D.C., and using the resulting amounts for the determination of pensionable remuneration of such staff. Some members could not agree with the above rationale and were of the view that the cost-of-living, differential should not be reflected in pensionable remuneration amounts. The Commission decided it would consider the matter when next reporting on the net remuneration margin and that would become the basis for addressing the concern of the General Assembly in the context of pensionable remuneration.

Application of extrapolated ratios at the Assistant Secretary-General and Under-Secretary-General levels

28. Some members of the Fifth Committee had pointed out that the gross pension to net income ratios obtained for grades P-1 to D-2 using grade equivalencies between the United States federal civil service and the United Nations had been extrapolated arbitrarily and applied to obtain pensionable remuneration amounts at the Assistant Secretary-General (ASG) and Under-Secretary-General (USG) levels. They considered that that procedure resulted in pensionable remuneration amounts at those levels that were too high. The Commission noted that it had used that procedure to arrive at the amounts of pensionable remuneration for ASG/USG levels since it had not been possible to establish grade equivalencies at the two levels. The extrapolation of ratios obtained at grades P-1 to D-2 was the only way by which the pensionable remuneration amounts at the ASG/USG levels could be determined. Such a procedure recognized progressivity in rates of taxation, which, in general, was inherent in all tax systems, and particularly in that of the United States. The Commission recognized that progressivity in rates of taxation was generally capped above certain income levels, and the resultant tax curves therefore flattened. The Commission decided that it would collect more information regarding the rates of taxation at income levels comparable to the ASG/USG levels and review the matter again in 1986.

Adjustments for differences in the lengths of service

29. Some members of the Fifth Committee had expressed serious concern that, in the calculation of pensionable remuneration, an adjustment had been made to account for the difference between the average lengths of service in the United Nations and in the United States federal civil service. The Commission would invite the General Assembly to note that pension benefits payable to United States federal civil service employees upon completion of 27 years of service were calculated using the
provisions of the United States federal civil service retirement system. Gross pension to net income ratios were obtained for various United States federal civil service grades and the percentages thus calculated were used in conjunction with net remuneration of United Nations officials in grades P-1 to D-2 to determine the amounts of pension benefits that should be earned by United Nations officials after the same length of service. At that point, by reverse application of the United Nations pension benefits formula, corresponding pensionable remuneration amounts at grades P-1 to USG were calculated for 27 years of service. Hence, no adjustment was made by the Commission for the differences in the average lengths of service applicable on both sides. In the report of the Commission submitted to the General Assembly" at its thirty-ninth session, it was explained that the net remuneration margin, which accounted for the differences in the average lengths of service applicable on both sides, was implicitly reflected in the amounts of pensionable remuneration recommended by the Commission to the General Assembly. Therefore, no further adjustment was needed to account for that particular factor. 4/ 

30. The Commission has provided above its preliminary consideration of some of the concerns expressed in the Fifth Committee at its thirty-ninth session with respect to the methodology used by the Commission. The Commission, however, intends to undertake further studies of all such issues and other related matters when it addresses the matter next year following the receipt of the details of the new CSRS applicable to United States federal civil service employees.

31. If detailed information on the new CSRS applicable to United States federal civil service employees were to be available in time for the Commission to consider in 1986, the Commission would then address the methodological issues. At that time it would also address the concerns of the General Assembly as outlined in paragraphs 25 to 29 above. On the other hand, if the United States Congress were to postpone introduction of a new CSRS, the Commission, in collaboration with UNJSPB, would still address the methodological issues, taking into account the concerns of the General Assembly. Recommendations will be made to the forty-first session of the General Assembly concerning the scale of pensionable remuneration for the Professional and higher categories. That would comply with the time-frame set by the General Assembly for the consideration of a new scale.

Procedure for adjustment of pensionable remuneration in between comprehensive reviews

32. The method for adjusting pensionable remuneration for the Professional and higher categories between comprehensive reviews was approved by the General Assembly in its resolution 35/215 and the regulations of the UNJSPF were amended effective 1 January 1981. As part of its consideration of the methodology for the determination of pensionable remuneration amounts in 1984, the Commission had noted the concerns expressed by some members of the Fifth Committee with regard to the procedure used for automatically adjusting the levels of pensionable remuneration for Professional and higher category staff.

33. While the Commission had addressed the concerns of the General Assembly to the extent possible and practicable within the time assigned by it, it had also indicated that:

"The Commission, nevertheless, decided to bring to the attention of the General Assembly that the adjustment mechanism should be examined at the time of the next comprehensive review of pensionable remuneration amounts for staff in the Professional and higher categories. By that time the dual adjustment
mechanism would have been in effect for a sufficiently long period of time to permit drawing some conclusions regarding its operation.

"For the present, the Commission is of the view that the currently used dual mechanism for adjusting pensionable remuneration amounts between comprehensive reviews should continue to be used with the following modifications:

(a) In the procedure outlined in this document in paragraphs 38 to 46 a comparison of gross pension benefits to United Nations officials is made with the corresponding amounts of net remuneration at the base of the system, New York. For adjusting the post adjustment classification of New York, CPI data applicable to that city are used. In view of this, for adjusting pensionable remuneration amounts for benefit purposes the New York CPI should be used rather than the United States CPI which has been in use since 1 January 1981;

(b) Adjustments to pensionable remuneration amounts should be made on 1 April of each year on the basis of movements of WAPA and CPI as of the preceding 1 January.

"The base date of 1 January 1985 should be used for the determination of the movements of WAPA and CPI. The first adjustment to the amounts of pensionable remuneration proposed in annex VI should be made on 1 April 1986, provided an increase in accordance with the adjustment procedure is called for on the basis of the movement of WAPA or CPI readings taken on 1 January 1986."5/

34. The Pension Board, for its part, had concurred with the recommendations of the Commission concerning adjustments to pensionable remuneration amounts between comprehensive reviews as outlined above and recommended a corresponding change in article 54 (b) of the Pension Fund regulations. The General Assembly, however, had decided to suspend the operation of the adjustment mechanism.

35. It must be borne in mind that any changes in the adjustment procedures currently in use would have serious actuarial implications for the Pension Fund. In this regard it will be recalled that, prior to the recommendation to the General Assembly of the currently used WAPA/CPI mechanism, the Commission and the Pension Board had considered all aspects of the interim adjustment mechanism and the implications of various elements of the adjustment mechanism.

36. An interim adjustment mechanism for use between comprehensive reviews must be consistent with the methodology used to calculate the amounts of pensionable remuneration. The Commission had already expressed the view that a re-examination of the interim adjustment procedure, in consultation with the Pension Board, would be desirable. However, the interim adjustment mechanism with the modifications as outlined in paragraph 33 above was consistent with the methodology already recommended by the Commission. While the General Assembly request calls for a review of the methodology but not for the development of a new approach, as outlined in paragraphs 17 to 24 above, it may become essential for the Commission to take a fundamentally different approach to determining the amounts of pensionable remuneration for the Professional and higher categories. Therefore, only after the Commission, in consultation with the Pension Board, had taken a further decision on the methodology would it be in a position to address the issue of the interim adjustment procedure, which should be consistent with the methodology to be recommended.
37. In the meantime, however, the Commission would inform the General Assembly that:

(a) In response to a request made by the General Assembly in resolution 39/27 of 0 November 1984, the Commission at its twenty-first session decided to recommend to the General Assembly a range of 110 to 120 for the net remuneration margin, and considered that the mid-point of approximately 115 would constitute a desirable level around which the net remuneration margin should be maintained over a period of time;

(b) The Commission also decided to recommend a procedure for the operation of the post adjustment system within the approved margin range;

(c) The net remuneration margin between the remuneration of United Nations officials in New York and that of the United States federal civil service employees in Washington, D.C., for the current margin period, i.e., from 1 October 1984 to 0 September 1985, stood at 121.3, i.e. at a level higher than the upper limit of the recommended margin range;

(d) Preliminary indications were that no increase in salaries would be granted to United States federal civil service employees during the year 1986.

38. In view of the above and barring a change in the United States tax code, it is expected that the net remuneration margin would remain at its current level through 198, with the exception of some minor changes resulting from the change in the difference in the cost-of-living differential between New York and Washington, D.C. Consequently, if the General Assembly were to approve the recommendations of the Commission with regard to the range for the net remuneration margin and the procedure to be used for the operation of the post adjustment system within that margin range, no post adjustment increase could be anticipated for United Nations officials in New York for the year 1986. In order to equalize purchasing power between New York and other duty stations, post adjustment classifications of duty stations would also be frozen to the same extent that New York would be frozen.

39. As stated earlier, a system of automatic interim adjustments of pensionable remuneration amounts must be consistent with the methodology used for the determination of the pensionable remuneration scale. The methodology recommended by the Commission in 1984, which was the basis for the scale of pensionable remuneration amounts currently in effect, involved the maintenance of a certain relationship between net remuneration and pension benefits that, all things being equal, was a direct function of the pensionable remuneration amounts for benefit purposes. It stood to reason, therefore, that, if basic remuneration were not allowed to increase, then the amounts of pensionable remuneration for benefit purposes should also not be allowed to increase. In view thereof, the Commission agreed to recommend to the General Assembly that, during the period the post adjustment classification of New York was frozen (and consequently that of other duty stations), pensionable remuneration amounts for benefit purposes should also be frozen for a limited period. In other words, until the next class of post adjustment was granted to New York, no increase in pensionable remuneration amounts for benefit purposes would be granted.

40. The Commission also considered the possibility of recommending to the General Assembly a freeze on pensionable remuneration amounts for contribution purposes during the period pensionable remuneration amounts for benefit purposes were frozen. It was, however, of the view that as a freeze on pensionable remuneration
amounts for contribution purposes would have serious implications for the Pension Fund, recommendations in this regard should be made by the Board itself. The Commission was cognizant that a fully funded system such as that of the United Nations, featuring automatic adjustment to benefits to account for cost-of-living changes, required a system of automatic adjustments to the pensionable remuneration amounts of active participants in between comprehensive reviews of pensionable remuneration scales. A failure to adjust pensionable remuneration while benefits in payment increased could result over time in serious problems for the Pension Fund. The Commission, however, noted the preliminary comments made by the organizations and the Secretary of the Board that, while a freeze on the amounts of pensionable remuneration for contributions purposes for an extended period of time would have an adverse effect on the actuarial imbalance of the Fund, a freeze for a short period of time, e.g. one to two years, could be tolerated.

41. The question of the possible application of a freeze on the pensionable remuneration for contribution purposes for the Professional and higher category staff will be considered by the Pension Board at its forthcoming thirty-fourth session. Recommendations thereon, along with the information on the resulting financial implications, will be submitted by the Pension Board to the fortieth session of the General Assembly.

42. Meanwhile the Commission maintains the view it expressed last year on continuation of the procedure for adjustment of pensionable remuneration in between comprehensive reviews, with the two modifications as indicated in paragraph 33 above. It does this in the full knowledge, however, that because of the freezing of the New York post adjustment the adjustment procedure will automatically not be applied in 1986. In its next annual report it will revert to the matter.
CHAPTER III

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

A. Remuneration of the Professional and higher categories

1. Evolution of the margin between the remuneration of the United States federal civil service and that of the United Nations system based on a comparison of net remuneration

43. As requested by the General Assembly, the Commission continues to keep under review the relationship between the levels of remuneration of the United Nations and the United States federal civil service, the present comparator. As part of its resolution 39/27, the General Assembly requested the Commission to submit to the Assembly's fortieth session a description of the methodology used for margin calculations based on net remuneration in addition to its usual report on the evolution of the margin.

44. The Commission, in response to resolution 39/27, requested its secretariat to provide to its twenty-second session a detailed description of the methodology for calculating the margin. That description is contained in annex I. The Commission also requested its secretariat to calculate the margin using net remuneration applicable on both sides on the basis of:

(a) Remuneration at step I (the currently applicable method);
(b) Remuneration after five years of service in each grade;
(c) Remuneration at the last step of each grade;
(d) Average remuneration at each grade.

Margin calculated at step I of each grade based on net salaries only

45. Since the last report of the Commission to the General Assembly and to the legislative organs of the organizations, the following developments in the United States federal civil service salary structure have been noted:

(a) An increase in the base salary;
(b) Changes in the United States rates of federal taxation;
(c) Bonuses and performance awards received by those in the Senior Executive Service (SEE);
(d) Availability of more detailed and up-to-date Internal Revenue Service (IR.) statistics for converting United States federal civil service salaries from gross to net.

46. There has been no change in the United Nations remuneration system as a result of general Assembly resolution 39/27, paragraph 1 (c), by which the Commission was requested to "take the necessary measures to suspend implementation of the increase in post adjustment for New York envisaged by December 1984, pending receipt by the General Assembly at its fortieth session, and action thereon of the Commission's recommendations regarding the margin and other measures".

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47. The details of calculations relating to the current margin period - 1 October 1984 to 30 September 1985 - that were made at the traditional point of comparison, that is, at the first step of each grade, are contained in annex II. It will be noted that the current margin, based on net remuneration, is 121.3 as compared with 117.0 for the period 1 October 1983 to 30 September 1984.

**Margin calculated at selected steps of each grade**

48. On the basis of all the developments relating to United States federal civil service and United Nations remuneration mentioned above, the margin was also calculated using selected steps of each grade. The following results were obtained for the current margin period 1 October 1984 to 30 September 1985. The result of the margin calculation at the traditional first step of each grade is also repeated below for ease of comparison:

<table>
<thead>
<tr>
<th>Step of each grade</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>First step of each grade</td>
<td>121.3</td>
</tr>
<tr>
<td>Top step of each grade</td>
<td>123.0</td>
</tr>
<tr>
<td>After five years in grade</td>
<td>123.2</td>
</tr>
<tr>
<td>Average remuneration at each grade</td>
<td>118.1</td>
</tr>
</tbody>
</table>

Detailed calculations are provided in annex II, as cited above, and in annexes III, IV and V.

**Margin at the first step of each grade**

49. It will be noted that the Commission has traditionally reported the margin on the basis of the remuneration applicable on both sides at step I of each grade. The Commission's decision to use step I, which was also in concordance with the conclusions of the 1971-1972 Special Committee for the Review of the United Nations Salary System, was taken at a time when the practice in the comparator country was to use step II in its own comparative remuneration studies. Secondly, the decision to use step I was taken before the introduction of the merit pay system in the United States federal civil service. The introduction of the merit pay system, which had no steps but only a range of salaries within which merit increments were granted, meant that the comparable points in the respective United Nations and United States careers could no longer be measured in terms of steps. Furthermore, the use of step I limited the comparison to a small fraction of staff in both services; i.e. only 8.1 per cent of staff in New York in grades P-1 to D-2 and 12.3 per cent of United States federal civil service employees in Washington, D.C.

**Margin at the top step of each grade**

50. The limitation of the comparison to a small fraction of the relevant population was also true with the use of the top step of each grade. Latest information showed that 5.7 per cent and 4.1 per cent of staff were at the top step of their grades in the United Nations in New York and in the United States federal civil service in Washington, D.C., respectively. The implementation of the merit pay system also meant that the average number of years spent in progressing through a grade would be substantially lower than the maximum number of years required. The span of the salary scales was also different between the two services.

**After five years in grade**

51. This comparison implicitly assumed that staff members started at the beginning -14-
of the grade and progressed through the grades in accordance with the normal within-grade increment procedures in both services. Certain difficulties arose in connection with this assumption because of grade overlap and the required number of years staff must remain in grade before becoming eligible for promotion. Thus, the steps attained after five years in grade varied. The merit pay system, which had no steps, further complicated the matter.

Average remuneration at each grade

52. This comparison was based on actual average remuneration for various grades in both services. This approach overcame the difficulties presented by the merit pay system regarding the use of remuneration at selected points in the grades. In fact, only through its use could effects of the merit pay system in the United States federal civil service be properly taken into account. Furthermore, the present comparator civil service itself used average salaries in its pay comparability studies and this method was also applied by the Commission in its General Service salary surveys in headquarters duty stations. The use of average remuneration would rationalize the comparison and remove the arbitrariness involved in the selection of particular points in a grade for making the comparison.

Views of the organizations and staff representatives

53. The Chairman of CCAQ stated that a careful examination of the secretariat's analysis of the four different ways of making the margin comparison had led to the conclusion that the comparison based on average net remuneration should be adopted for use in the margin comparison. The use of the first step at each grade for the comparison could no longer be justified following the introduction of the merit pay system in the United States federal civil service. He noted that very few staff members were at step I either in the United Nations in New York or in the United States federal civil service in Washington, D.C.

54. The President of FICSA recalled the Federation's view that the margin based on the comparison of total compensation provided a more accurate comparison of the relative levels of remuneration. He stated that, with the decision to quantify the margin, it was imperative that the comparison be made with the utmost accuracy and that, the methodology include the use of 12-month averages for cost-of-living comparison between New York and Washington, D.C.; as well as comparison of average remuneration of each grade rather than at a particular step in each grade.

55. The Convenor of CCISUA drew the Commission's attention to the difficulties inherent in making comparisons between a national and an international civil service, for example, grade equivalencies and use of local consumer indices, and noted that the United States federal civil service was subject to a number of variables. He reiterated his Committee's viewpoint that a margin comparison based on total compensation was the only valid starting point for considering an appropriate margin. With regard to the margin based on net remuneration, he expressed the view that average remuneration for each grade should be used for comparison, since it resulted in the most representative comparison.

Discussion by the Commission

56. The Commission, while taking note of the margin based on net remuneration at step I of each grade, examined the information provided on the margin calculated at other points in each grade. It noted that the comparison at the traditional matching point, i.e. step I of each grade, covered only a small proportion of staff.
in both services and took them into account in varying percentages; in addition certain pay systems, such as
the Merit Pay System, did not have staff placed' on step I of the scale and were thus not represented. The
use of the top step of each grade also only covered a small proportion of staff on both sides and after five
years in grade assumed, perhaps erroneously, normal progression through the grade; therefore a margin
comparison based on their use would not provide results that would be truly indicative of the differences in
remuneration between the two services. The Commission observed that, in contrast to the other approaches,
the use of actual average remuneration not only overcame the difficulties of comparison that resulted from
the merit pay system, differences in the numbers of steps for each grade covering both services, and so on,
but in addition was the only approach that covered the entire populations of the United Nations system in
New York and the United States federal civil service in Washington, D.C. The majority of members
supported the suggestion that average remuneration applicable on both sides should be used as the basis for
comparison. It was, however, felt that further statistics and data concerning the merit pay system and its
application, including information on mean and median pay rates of all professional level employees, should
be examined before a definitive decision was reached. The Commission requested its secretariat to provide
all relevant information at its next session so as to enable it to study the matter further. One member of the
Commission expressed preference for the comparison based on remuneration after five years in grade.

57. It was recalled that the use of the cost-of-living differential between New York and Washington, D.C.,
emanated from the Commission's decision to compare the Headquartners of the United Nations system, which
was New York, with the headquarters of the United States federal civil service, which was Washington,
D.C. Furthermore, not only was New York not the headquarters for the United States federal civil service,
but in addition it might not have all the jobs required for the comparison. It was pointed out that, if for any
reason a change in the comparator country occurred, then the places of comparison would be New York and
the capital of the new comparator country. One of the underlying principles of the United Nations system of
remuneration was that of equalization of purchasing power between New York and all other duty stations
through the post adjustment system. Consequently it was appropriate to reflect cost-of-living differences
between New York and Washington, D.C., in the margin calculations. Some members of the Commission
expressed doubt over the use of the cost-of-living differential factor in the margin calculations to account
for differences in cost-of-living between New York and Washington, D.C., and were of the view that that
aspect of the methodology required examination. They pointed out that the real comparison was with the
national civil service and not with Washington, D.C., and that, therefore, the cost-of-living differential was
not relevant. They further observed that there were some 12,000 professional employees of the federal civil
service in the New York area.

Decisions of the Commission

58. The Commission decided to continue reporting the margin based on net remuneration as calculated on the
basis of the current methodology. However, in view of the mandate in General Assembly resolution 31/141
B of 17 December 1976, section 1, paragraph 1, requiring the Commission to keep the margin continually
under review and in the light of information received by the Commission that might suggest a further
rationalization of the comparison, the Commission decided to review at a future date certain aspects of the
methodology. The review will include the possible use of average remuneration for each grade as the basis for
the comparison and examination of the use of the cost-of-living differential factor between Washington, D.C., and New York in the calculations. The Commission will report the results of its review to the General Assembly in 1986.

2. The margin based on a comparison of total compensation

59. The Commission examined the results of a total compensation comparison based on non-expatriate elements of remuneration applicable to the United Nations staff in the Professional and higher category of staff with those of the United States federal civil service. The Commission noted in this context the request of the General Assembly, in its resolution 39/27, specifically to examine the comparison of annual leave provisions applicable to United States and United Nations officials.

60. In addressing the issue of annual leave it was noted that, unlike United States federal civil service leave provisions, United Nations leave provisions did not differentiate between leave used as annual leave and leave used for the purposes of home leave. In prior total compensation comparisons 10 out of 30 days of leave granted to United Nations officials was assumed to relate to home leave and, therefore, was considered an expatriate benefit. If the entire 30 days of United Nations leave were to be included in the comparison then consequently the United States Government’s home leave provisions for federal civil service employees (non-diplomatic staff) stationed abroad should also be included. The inclusion of home leave provisions on the United States side resulted in an advantage of five days of leave per year for United Nations officials or 19 per cent of the annual number of United Nations working days.

Views of the organizations and staff representatives

61. The Chairman of CCAQ noted that a review of these issues reinforced the contention of CCAQ that the Commission ought to consider the use of the total compensation comparison for the margin.

62. The President of FICSA pointed out that the calculation of the total compensation comparison should be made on the basis of average compensation by grade instead of at step I of the grade. FICSA considered that the concept of compensation included only those elements to which a monetary value could be attributed. Annual leave could not be considered part of compensation and should therefore not be taken into account in the total compensation comparison. FICSA reiterated its position that the margin should be calculated on the basis of total compensation, including expatriate benefits.

63. The Convenor of CCISUA expressed the view that the only valid comparison of remuneration of United Nations and United States officials was total compensation. He urged the inclusion of expatriate benefits in the comparison and noted the difficulty of excluding expatriate benefits when addressing an issue such as annual leave.

Discussion and decisions of the Commission

64. Some members of the Commission noted the continuing controversy over the inclusion of a calculation for career length differences between United Nations and United States officials. That issue had been addressed by the Commission at several previous sessions and was viewed with concern by some members of the
Commission as well as some members of the General Assembly. In paragraph 25 above the Commission cited three factors used as the basis for the margin on the United Nations side. One of those factors, namely the relatively better position of national as compared with international services to guarantee stability and security of employment, coupled with the fact that a mandatory age of separation of 60 applied on the United Nations side while no such limit was applicable for United States federal civil service employees, resulted in shorter careers for United Nations officials. That in turn resulted in the difference in average lengths of service applicable on both sides, which up until now had been taken into account in the calculation of total compensation margin. The continued inclusion of the difference in career lengths as an element in total compensation calculations would mean that the three factors mentioned in paragraph 25 above would be used for defining the net remuneration margin, while one of them would be used in making actual total compensation comparisons. That was an inconsistency that was bound to result in introducing further confusion in the already complex total compensation methodology. The Commission, therefore, was of the view that the element pertaining to the difference in career lengths should no longer be taken into account in calculating the total compensation margin. It, therefore, decided to exclude career length differences in its future calculations of that margin. Two members of the Commission had considerable difficulty with the fundamental concept of total compensation comparisons.

65. Several members of the Commission noted that the analysis of annual leave introduced an element of expatriation, namely home leave, which the General Assembly had not yet requested the Commission to address. A suggestion was therefore made to report the results of such analysis as outlined in paragraph 59 above to the General Assembly but to record the total compensation margin without taking into account the difference in the annual leave provisions at the present stage. With regard to calculations relating to sick leave, holidays, annual leave and the differences in hours of work, the Commission's prior consideration of those matters remained valid. However, the Commission noted that the total compensation margin would rise to 119.8 if the difference in annual leave (including home leave provisions for the United States federal civil service employees) were to be taken into account.

66. The Commission decided to report the total compensation margin to the General Assembly excluding the calculations for career length differences.

67. Accordingly, the Commission decided to report to the General Assembly a total compensation margin of 117.6, which reflected a comparison at step I of both the United States federal civil service and United Nations Professional and higher category salary scales that incorporated the following elements:

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<tr>
<th>United States</th>
<th>United Nations</th>
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<tbody>
<tr>
<td>Base salary</td>
<td>Base salary</td>
</tr>
<tr>
<td>Pensions</td>
<td>Post adjustment</td>
</tr>
<tr>
<td>Health insurance</td>
<td>Dependency allowances</td>
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<tr>
<td>Life insurance</td>
<td>Pensions</td>
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<tr>
<td></td>
<td>Health insurance</td>
</tr>
<tr>
<td></td>
<td>Death grant benefit</td>
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3. Review of the level of remuneration: special rate programme and other pay systems of the United States federal civil service

68. In its consideration of the basis on which comparison is made between the United Nations and the United States federal civil service, the Commission was provided with details on the remuneration of United States federal civil service pay systems in Washington, D.C. Specifically, six pay systems were examined, in addition to the General Schedule used traditionally for comparison with the United Nations Professional staff remuneration system, as follows:

(a) The special rate programme of the General Schedule;

(b) The merit pay system;

(c) The Foreign Service system;

(d) The system applicable to staff of the Department of Medicine and Surgery, Veterans Administration;

(e) The system applicable to staff of the Commissioned Officer Corps of the Department of Health and Human Services;

(f) The independent schedules known as the "GG" schedules.

69. It was proposed that a new comprehensive equivalency study be undertaken between comparable positions in the United Nations and the United States federal civil service. Additionally, the following analytical improvements in the comparison methodology were suggested:

(a) Use of regression analysis and the dual payline concept as used by the comparator in its own salary-setting process;

(b) Use of average salaries to calculate the difference between the remuneration of United States and United Nations officials in comparable positions;

(c) Use of a weighting scheme to account for the number of staff in comparable positions, as well as the number of staff in both the grades and the pay systems represented by those positions;

(d) Use of specific tax statistics to be provided by the United States Internal Revenue Service (IRS) that would be more relevant to the comparison.

Views of the organizations and staff representatives

70. The Chairman of CCAQ noted that the organizations had, for several years, thought that improvements could be introduced in the comparison of United Nations and United States remuneration with regard to the populations and rates of pay being compared, the treatment of taxes and the weighting scheme used. He understood that these methodological issues would be studied and he urged that United States Government officials be involved in the process as early as possible.

71. The representative of the World Health Organization (WHO) recalled that the existence of particularly high United States special rates for medical officers, veterinarians, nurses and paramedical staff had resulted in a breach of the Noblemenaire principle in respect of significant numbers of highly qualified
Professional staff in those occupational groups employed by WHO and some other organizations of the United Nations system, and requested the Commission to take those special pay rates into account in United Nations/United States remuneration comparisons.

72. FICSA noted that some 30 to 40 per cent of United States civil servants in positions comparable to those in the United Nations received higher remuneration than that provided for in the General Schedule. That was no doubt due to the fact that the gap between the salaries payable according to the United States Pay Comparability Act and the General Schedule now stood at about 18 per cent. The General Schedule was thus clearly outdated as a sole point of reference for comparison with the United Nations salary system. The ICSC studies should encompass all large departments within the United States federal civil service and a representative sample of the smaller ones.

73. The Convenor of CCISUA expressed the view that further studies should be pursued, as recommended by the ICSC secretariat, especially a new equivalency study. With regard to SES, he concurred with the view of CCAQ that positive correlations with job content and pay level were necessary although he thought other alternatives could be investigated. He noted that, although the Foreign Service salary scale had been examined by the secretariat, no analysis of expatriate benefits had been made and the scale at one point was 27 per cent higher than the General Schedule.

Discussion of the Commission

74. The Commission noted that it was not possible to determine the comparability of the six pay systems recommended for inclusion in the comparison until a comprehensive equivalency study had been completed and until the pay systems had been fully investigated. With regard to the treatment of the Senior Executive Service (SES), the Commission considered three alternatives and felt that the one based on a relationship between job content and pay would be the most suitable.

75. One member considered that the Commission must state its intention to include in the comparison those pay systems of the United States federal civil service that would be found suitable upon completion of the study. He maintained that the present problems with the margin had arisen from the non-inclusion of all appropriate United States salary systems in the comparison.

76. Some members pointed out that a study of the special rate programme and other pay systems of the United States civil service in Washington, D.C., might still not take into account the comparative remuneration of the majority of Professional staff of the United Nations system serving at duty stations outside New York and Washington, D.C. In most such duty stations, the remuneration package of the United States civil service staff posted abroad, in comparison to that of United Nations employees, was better by amounts that varied according to the duty station. Three main differences in the two systems were highlighted. First, the whole range of allowances and benefits received by United States officials serving abroad was superior to that of the United Nations system. Second, supplementary hardship differentials of United States officials compensated staff much more for hardship than the equivalent United Nations scheme. Third, the United States civil service had no system of deductions from base pay and, in fact, no official serving abroad was paid less than at the base, Washington, D.C. They were therefore of the view that the Commission should study the above problems further and recommend appropriate action to the General Assembly.
77. Some members observed that several of the pay systems were rank-in-person systems (United States Foreign Service and United States Commissioned Officer Corps of the Department of Health and Human Services) and, therefore, *prima facie* it was not appropriate to undertake an analysis of such systems in order to compare them with a job-content system as in the United Nations. SES comparisons should be considered only because they appeared the only way to make comparisons at the D-1 and D-2 levels.

78. The Commission noted the information contained in a paper submitted by WHO as w-11 as the comments from the WHO representative on special rates of pay for certain medical-related occupations, and noted further that ICSC would more appropriately study the issues raised at a future session, following conclusion of further equivalency studies between the United Nations and the comparator country.

**Decision of the Commission**

79. The Commission decided to request its secretariat to:

   (a) Report further on the six pay systems for the purposes of determining the comparability of those systems in the context of United Nations/United States comparisons;

   (b) Proceed with the new comprehensive grade equivalency study as part of its work programme;

   (c) Study the SES structure in five United States government agencies and report thereon to the Commission, including whether a positive correlation between job content and pay level could be established;

   (d) Proceed with the studies relating to proposed analytical improvements (regression analysis and the dual payline, use of average salaries and revised weighting techniques for both United States data and for that of the United Nations) in the context of the approved equivalency study.

4. **Report of the Joint Inspection Unit on staff costs and some aspects of utilization of human and financial resources in the United Nations Secretariat**

80. By resolution 39/27 the General Assembly had requested the Commission to review the report of the Joint Inspection Unit (A/39/522 and Corr.1) and the related comments of the Administrative Committee on Coordination (ACC) (A39/522/Add.1) and the views of Member States and to report thereon to the General Assembly at its fortieth session. Accordingly, the secretariat of the Commission submitted a document for the Commission's consideration; a conference room paper was also submitted by FICSA.

81. While the whole report of the Joint Inspection Unit had been referred to the Commission by the Assembly, the Commission's secretariat provided detailed comments on sections I, II and IV only, as they dealt with a variety of common system personnel and remuneration issues with which the Commission had dealt under its mandate on numerous occasions. Section III concerned other aspects of United Nations Secretariat staff costs and efficiency. The secretariat had, therefore, limited itself to more general comments on such issues.
82. Among the common system issues addressed by the report of the Joint Inspection Unit were:

(a) The Noblemaire principle and its application;
(b) Recruitment and retention issues;
(c) Expatriation;
(d) Home leave and annual leave entitlements;
(e) Education grant benefits;
(f) Sick leave provisions;
(g) Total compensation comparisons;
(h) Retirement issues.

The secretariat's detailed comments on the Joint Inspection Unit Inspectors' analysis of each of those issues demonstrated that the Inspectors had made a number of factual errors, had provided inconsistent comparisons and had injected confusion into the technical consideration of the issues.

Views of the organizations and staff representatives

83. The Chairman of CCAQ drew attention to the fact that the ACC had made a statement to the General Assembly at its thirty-ninth session criticizing the report of the Joint Inspection Unit and recalling the procedures that had been established by the General Assembly for dealing with such matters. ACC had noted that the report called into question a number of findings and conclusions of the Commission that it had arrived at after due study and deliberation, including consultations with the administrations and staff representatives in accordance with its statute. He further noted that the Unit's report merely expressed the views and conclusions of the Inspectors who had prepared it. The intervention of the Joint Inspection Unit in such policy matters undermined the authority of the Commission and introduced elements of uncertainty and confusion of responsibility with regard to the common system. He indicated that ACC had also recommended that the report be referred to the Commission before it be considered by the Assembly, all the more so because it was evident that the report contained errors on both major issues and points of detail and that its conclusions were based on questionable interpretations of often incomplete or selective data and were accordingly unjust to the staff as a whole.

84. The Chairman of CCAQ indicated that the position of the organizations remained unchanged and they therefore had no difficulty whatsoever in endorsing the ICSC secretariat's analysis in which similar concerns were expressed. He expressed the hope that the Commission would stress in its report to the General Assembly that it made it more difficult for it to carry out the mandate entrusted to it under its statute in the face of the confusion caused by reports such as that of the Joint Inspection Unit, and that the General Assembly should avoid basing policy decisions on reports that might be seriously flawed and were, in any case, prepared outside the framework of consultations established by the Assembly itself.

85. The President of FICSA pointed out that the Federation had submitted a
detailed technical document on the Unit's report to ACC in October 1984; those comments remained valid. He further noted that the Inspectors' report did not provide a viable basis for decision since it was replete with errors, inconsistencies, misquotations and unsubstantiated conclusions. Most, if not all, of the issues taken up by the Inspectors had been dealt with already by the Commission and settled by the legislative organs of the common system organizations.

86. He expressed the view that, while the Joint Inspection Unit had wide-ranging authority to investigate the management of the organizations of the United Nations system, the General Assembly had established another body, ICSC, for the regulation and co-ordination of conditions of employment in the common system. According to their statutes, the working methods of those two bodies were very different, the most striking difference being that ICSC had to hold extensive consultations with the organizations and the staff representatives. FICSA attached great importance to those consultations. The President of FICSA considered that the Joint Inspection Unit had encroached upon the prerogatives of ICSC and disregarded all recognized common system procedures on staff management relations and on staff consultation. The submission of the biased report to the thirty-ninth session of the General Assembly without any safeguards or comments had certainly influenced the climate in the Fifth Committee and added to the unfortunate confusion that had finally led to the adoption of detrimental decisions on Professional salaries and, in particular, the post adjustment system. FICSA looked to the Commission to do everything in its power to set the record straight.

87. The Convenor of CCISUA observed that the concerns of the staff were not so much with the obvious preoccupation of the Joint Inspection Unit with salary issues, which seemed to overlap with the Commission's mandate, but with other selective use of facts and inflated rhetoric that characterized the report and gave it a deep-seated bias. The worst effect was to undermine the credibility of the Joint Inspection Unit itself. The Unit should concentrate on ways to improve efficiency rather than trying to comment on issues beyond its scope. As the United Nations is a service organization, it is, therefore, logical that it apportion its resources largely to staff who are responsible for carrying out service programmes.

88. The Joint Inspection Unit Inspector concerned expressed the view that the position of CCAQ was not objective since it did not take into account the views of Member States and almost completely ignored the Noblemaire principle. With regard to the comments presented in the document prepared by the ICSC secretariat and to the comments provided by FICSA in its document, he thought that they were intended to confuse further the issues addressed by providing too much detail. He considered three issues to be of paramount importance, which he requested should be addressed on their merit, namely the manner in which the secretariat had analysed (a) annual leave, (b) sick leave and (c) career length, in making the total compensations comparison between United Nations and United States federal civil service officials in comparable positions.

89. The representative of the United Nations regretted the inclusion of paragraphs 77 and 78 in the ICSC secretariat's document, which concerned the United Nations Secretariat. He failed to see the relationship between the two paragraphs, that is, why unresolved personnel and administrative problems between the ICSC and United Nations secretariats were being referred to the Joint Inspection Unit. Moreover, the definition of the objectives and functions of the United Nations was the concern of Member States, not the Joint Inspection Unit or ICSC.
Discussion by the Commission

90. Members of the Commission made a number of comments on the report and put questions to the Inspector concerned. First, it was not clear under what part of the Joint Inspection Unit statute the Inspector was making his report and whether investigation of the "proper use of funds," according to article 5.1 of the Joint Inspection Unit statute, entitled him to investigate also the proper allocation of funds or salaries (emphasis added). Second, it was not clear from paragraph 8 of the Inspector's report criticizing the United Nations failure to establish priorities and abandon projects whether Member States were being criticized or the Secretariat. Third, as it was noted that Inspectors were required to give balanced assessments and since only negative comments were recorded, clarification was sought as to whether there were any redeeming features found in the Inspector's investigation and if so, why they had not been reflected. Fourth, the Inspector's view was sought as to who was responsible for such a bleak state of affairs - the General Assembly, ICSC, the Secretariat or individuals. Fifth, it was not clear why the Inspector had neither followed the procedure for prior consultation with ICSC on a common system issue as required by General Assembly resolution 37/126 of 17 December 1982, section V, before making recommendations to the General Assembly nor with the executive heads of other organizations as required under procedures established in the statute of the Joint Inspection Unit.

91. The Inspector stated his view that "proper use of funds" did not start after approval of the budget by the General Assembly. A decision by the Commission raising the post adjustment by 9.6 per cent resulting in a United States/United Nations margin of 24 per cent meant that Member States would have to pay more, 15 per cent more. Second, if the Secretariat was not efficient, the costs would grow and grow: for one decade, the portion of the United Nations budget for staff costs had grown and the corresponding programme funds had shrunk by the same amounts. Third, he did not blame the Member States in his criticism in paragraph 8 of his report, but the Secretariat, as it did not always act in accordance with General Assembly resolutions, which were not sufficiently specific. Fourth, he had had prior consultations with the ICSC secretariat before finalizing his report, if not with the Commission itself.

92. The Commission noted that the whole of the Inspector's report had been referred to it for review by the General Assembly including one section and several recommendations on elements of costs and efficiency of the United Nations Secretariat other than those relating to common system remuneration issues. It also noted the comments of the Secretary-General on the report (A/39/522/Add.2) and the confirmation by the United Nations representative that those comments remained valid. While the postponement by the United Nations of action to resolve ICSC personnel issues was illustrative of problems encountered, the Joint Inspection Unit was not being requested by ICSC to solve the matter, which was being considered separately between the United Nations and ICSC under another item of the agenda.

Decisions of the Commission

93. The Commission decided to make the following observations after having reviewed carefully the report of the Joint Inspection Unit, the comments made by ACC and the representatives of organizations and staff on the report of the Joint Inspection Unit as well as by the Inspector at its twenty-second session:

(a) The United Nations General Assembly in resolution 3357 (XXIX) of
18 December 1974 had entrusted to ICSC responsibility for making recommendations and decisions on scales of salaries and allowances, post adjustments and other conditions of service (arts. 10 and 11 of its statute). ICSC exercised the same responsibilities for the specialized agencies that accepted the statute of the Commission;

(b) The General Assembly in resolution 37/126 of 17 December 1982 had reaffirmed the role of ICSC and requested all bodies making proposals for action on personnel matters affecting the system to co-ordinate them with ICSC and thereby avoid duplication of efforts;

(c) A large part of the current report by the Joint Inspection Unit was devoted to remuneration of the Professional and higher categories in the common system, which was within the province of ICSC;

(d) Since ICSC was established, the role of the Joint Inspection Unit was presumably to consider the implementation of policies established on the basis of ICSC recommendations or decisions, rather than the substance of those policies. The intervention of the Unit in such policy matters therefore threatened to undermine the authority of ICSC and introduced elements of uncertainty and confusion of responsibilities with regard to the common system;

(e) The report of the Joint Inspection Unit contained errors on major issues and points of detail, its conclusions were based on questionable interpretations of often incomplete or selective data, and accordingly, unjust to the staff as a whole;

(f) The Chairmen and Executive Secretaries of ICSC and the Joint Inspection Unit had met in 1983 to ensure close co-operation and avoid unnecessary duplication and competitive studies. On seeing the first draft, the ICSC secretariat had pointed out to the Inspectors concerned its potentially rival nature, as also the need for consultations with other agencies involved in accordance with the statute of the Joint Inspection Unit as well as the ICSC statute. The Inspector's report had nevertheless been finalized and submitted directly to the General Assembly without observing full consultation procedures, with a minor change in title and in the reference to its scope.

94. The Commission noted the contradiction between the title of the Inspector's report and most of its substance, which concerned all organizations of the common system, thereby leading to confusion. It regretted the procedure followed in the publication of the report and its submission direct to the General Assembly before the necessary consultation process had taken place either in accordance with the provisions of General Assembly resolution 37/126, section V, or the statute of the Joint Inspection Unit, article 11 (e). That had not been helpful and had led to a considerable expense of time, money and effort by all the parties concerned.

95. While the Commission could have made detailed comments to the Assembly on the numerous factual errors and it has indeed analysed the various assertions and comments made in the Inspector's report - it has limited itself to referring to the main questions relating to its total compensation methodology raised by the Inspector concerning annual leave, sick leave and career differences. Those matters are dealt with separately in paragraphs 60 and 64 to 67 of the present report as well as in previous annual reports. 6/
96. The Commission's comments on recommendations 1, 2, and 3 in the Inspector's report are as follows:

**Recommendation 1**

No increase in salaries of Professional staff was recommended by the Commission in 1984. The Commission's actions and recommendations on the post adjustment system are reported separately. No further action is required.

**Recommendation 2**

The intent of this recommendation is unclear. Not only the United Nations General Assembly but also the legislative organs of other organizations have observed the application of the Noblemaire principle and have always taken into account relevant General Assembly decisions.

**Recommendation 3**

ICSC continues to review and report on all aspects of the total compensation methodology, including those raised by the Joint Inspection Unit.

97. With regard to problems of costs and efficiency of the United Nations Secretariat, to which reference was made in section III, and other recommendations of the Joint Inspection Unit, the Commission expressed the hope that the Secretary-General of the United Nations might wish to address the issues raised by the Joint Inspection Unit and report to the General Assembly as appropriate.

**B. Matters relating to post adjustment**

1. **New York post adjustments establishment of a desirable range for the margin and the operation of the post adjustment system within that range**

98. The Commission was informed of the deliberations of the Fifth Committee of the United Nations General Assembly at its thirty-ninth session relating to the New York post adjustment index. It was noted that the General Assembly, by its resolution 39/27, had requested the Commission to:

   (a) Re-examine, in the light of the views expressed in the Fifth Committee, what would constitute a desirable margin between the net remuneration of the United Nations in New York and that of the comparator civil service and its effect on the operation of the post adjustment system;

   (b) Submit its recommendations to the General Assembly at its fortieth session on:

      (i) A specific range for the net remuneration margin, together with a concise summary of the methodology applied in calculating that margin, taking into account that, on average, the margin in the past has been within a reasonable margin range of 15 per cent;

      (ii) The technical measures that would be applied by the Commission to ensure that the post adjustment system operated within the framework of the defined margin range;
(c) Take the necessary measures to suspend implementation of the increase in post adjustment for New York envisaged for December 1984, pending receipt by the General Assembly at its fortieth session, and action thereon, of the Commission's recommendations regarding the margin and other measures referred to in subparagraphs (a) and (b) above; and take whatever related measures are required in respect of the post adjustment levels at other duty stations to ensure equivalence of purchasing power as soon as possible at all duty stations in relation to the level of net remuneration in New York.

99. The Commission recalled that ACPAQ had made an in-depth study of the events relating to the index for New York, which had resulted in a recommendation to the Commission to correct an anomaly in the post adjustment system. While cognizant of the financial implications and the effect of its decision on the margin, the Commission was of the view that the adjustment to the New York post adjustment index had to be made on the basis of technical considerations in order to remove the anomaly in the system and establish correct relativities between New York and other duty stations.

100. During the General Assembly's consideration of the tenth annual report of the Commission, and in particular of the Commission's decisions concerning the New York index, the General Assembly had, however, seen the problem in a different light. Following a detailed examination of General Assembly resolution 39/27, the Commission remained satisfied that the underlying basis that it had used for making the adjustment to the New York index was valid. The Commission noted, however, that the General Assembly had expressed concern regarding the financial implications of the Commission's decision for Member States as well as its effect on the margin and considered that a margin of 124 would be too high in relation to its past levels.

101. It was against the above background that the Commission decided to address the request made by the General Assembly concerning various aspects of the post adjustment system.

Views of the organizations and staff representatives

102. The Chairman of CCAQ noted that the organizations would abide by the Commission's decisions on the matter. He expressed concern over decisions that might result in legal challenge. CCAQ suggested that the establishment of a specific range of the margin should be based on an in-depth study of the rationale for a margin and the elements to be considered in quantifying it. The definition of a margin range for total compensation comparisons must also be considered. He considered that various aspects of the operation of the post adjustment system under such margin constraints should be studied by ACPAQ.

103. FICSA believed that the decision concerning the increase of the New York post adjustment index had been taken by the Commission in accordance with its normal procedures and under the authority granted under article 11 (c) of its statute, which was binding on the General Assembly. FICSA made available to the Commission a legal opinion on the issue and stated that appeals against the decision to suspend post adjustment increases in New York and in other duty stations had already been made. FICSA requested the Commission to apply post adjustment class 12 for New York as from 1 December 1984. Regarding the definition of a desirable range for the margin, the Federation was of the view that a rigid range would make the United Nations salary system exceedingly dependent on developments in the comparator country. If a range were to be defined, the question of whether...
it was to be calculated on net remuneration or on total compensation must be addressed. The use of the post adjustment system to ensure that salaries remained within the defined margin range had been established for a different purpose and ACPAQ therefore should study all aspects of such a proposal.

104. The Convenor of CCISUA rejected the notion of an arbitrary ceiling and was of the view that, prior to studying a margin range, account should be taken of expatriate benefits provided by the comparator. CCISUA suggested the idea of a pragmatic margin based on total compensation. Furthermore the post adjustment system should not be subject to domestic political considerations of the comparator country. CCISUA agreed that a number of technical issues relating to the system proposed by the General Assembly should be studied by ACPAQ prior to making recommendations that might affect the integrity of the post adjustment system.

New York post adjustment classification

105. The General Assembly, by subparagraph 1 (c) of its resolution, requested the Commission to take necessary measures to suspend implementation of the increase in post adjustment for New York that was envisaged for December 1984.

106. Following the adoption of resolution 39/27, and after consulting with the Commission, the Chairman had decided to suspend the implementation of post adjustment class 12 that was due to go into effect in New York as of 1 December 1984 pending formal consideration of the issue at the Commission's twenty-first session. As the General Assembly had already expressed concern about the level of the margin, the Commission, after reconsidering the issue, agreed to confirm its earlier decision regarding the suspension of class 12. As a result of that decision the post adjustment class in New York would continue to remain at its current level as decided upon by the General Assembly in its resolution 39/27, i.e. class 7/+2, after consolidation of 20 points of post adjustment.

107. While supporting the decision of the Commission to suspend implementation of post adjustment class 12, some members expressed the view that the suspension was of a provisional nature, since the wording of resolution 39/27 clearly indicated that the Assembly would have to reconsider its position on the matter once it received the Commission's recommendations regarding the margin. Those members would have preferred that the General Assembly allow the normal operation of the post adjustment system to continue pending consideration by it, at its fortieth session, of the recommendations of the Commission on other aspects of the remuneration system.

Action with regard to the post adjustment classification of other duty stations

108. The General Assembly also requested the Commission to take any related measures as might be required in respect of the post adjustment levels at other duty stations, to ensure equivalence of purchasing power as soon as possible at all duty stations in relation to the level of net remuneration in New York.

109. The Commission was of the view that if equivalence of purchasing power between New York and other duty stations was to be maintained, then the relationship between the post adjustment index and the corresponding post adjustment classification must be the same at other duty stations as in New York, i.e. the classification should be 5 per cent lower than the index. In that regard the Commission pointed out that the adjusted New York index was used to determine the post adjustment classifications of those duty stations where the results of place
to-place surveys had been implemented using the revised cost-of-living survey methodology. Thus, the procedure needed to achieve equivalence of purchasing power between New York and other duty stations should, initially, be applied only to that group of duty stations. The Commission agreed to take measures to ensure that the same relationship that existed between the post adjustment index and the classification at New York was also maintained at all other duty stations as and when the results of place-to-place surveys would be implemented using the revised survey methodology.

110. The Commission, following the recommendation of ACPAQ, decided that the New York post adjustment index should be adjusted back to the place-to-place survey date of October 1982, so as to establish a "theoretical" index as of that date. The theoretical index was set at such a level that, when updated from October 1982 to April 1984 by the 4.47 per cent relative change in the cost of living for New York, it equalled 170.6 and thus, ex post facto, satisfied the conditions for the implementation of class 11 in August 1984. The index of 170.6 was further rebased to December 1979 = 100 to account for the consolidation of 20 points of post adjustment into base salary effective 1 January 1985. The pre-consolidation index of 170.6 thus became 142.48 after consolidation. Deflating the index of 142.48 by the cost-of-living movement of 4.47 per cent between October 1982 and April 1984 resulted in an October 1982 index of 136.38. The equivalence of purchasing power between New York and other duty stations would be assured by basing the post adjustment classification on the theoretical index of 136.38.

111. The Commission also considered the effects of its decisions on countries where there was very high inflation and abrupt and substantial or continuous devaluations. It decided that in those exceptional circumstances the special measures 7 approved by the Commission should continue to be applied.

**Determination of a desirable level for the net remuneration margin and the establishment of a range for that margin**

112. The Commission reviewed the questions of a desirable level for the margin and the establishment of a range for the margin from two perspectives. In the first instance it addressed the question of the identification and quantification of the factors that justified the margin under the application of the Noblemaire principle. The margin was considered necessary to account for three factors as indicated in paragraph 25 above.

113. Over the last 35 years those factors had changed in relative importance. However, there had been general agreement on the importance of maintaining a reasonable margin above the level of civil service salaries of the highest paying country in order to attract and retain citizens of that country. As for the quantification of those factors, attempts had been made earlier, in particular by ACC, to assign specific values to individual factors. However, no clear rationale had ever been presented for the specific values proposed. The Commission was of the view that it would be impossible to quantify those factors individually as the relative importance of each factor was bound to vary considerably from duty station to duty station and from one individual to the other. In view of these factors the Commission decided to approach the various questions relating to the margin in the context of historical perspective.

114. Since 1976, the Commission has been reporting annually on the net remuneration margin between the United Nations and that of the United States federal civil service. For the period 1976 to 1984 the margin had ranged between 9.3 and
18.2 per cent. The arithmetic average of the margin figures reported by the Commission to the General Assembly was 115.3, and the forecast for the current margin period (1984-1985) indicated that the margin would be around 122.

115. The 1956 Salary Review Committee had made specific recommendations with regard to the introduction of the then new system of post adjustment. That had resulted in a margin for the largest group of United Nations officials (i.e. those at the P-4 level) of approximately 115. The margin varied above and below that level over the years, until in 1972 the Special Committee for the Review of the United Nations Salary System, taking note of the results of the 1956 review, recommended by a majority that a margin of 115 be the goal, with increases in base remuneration being considered when the margin fell below the level of 115. The Commission, therefore, recognized that a margin level of around 115 had been supported by various bodies on several occasions.

116. On the basis of the above, the Commission considered that a margin range with a mid-point around 115 would be realistic. A range should have the advantage of reflecting approximately one class of post adjustment in either direction.

117. After reviewing various proposals for such a range, the Commission decided to recommend to the General Assembly a range of 110 to 120 for the net remuneration margin, and considered that the mid-point of around 115 would constitute a desirable level around which the net remuneration margin should be maintained over a period of time.

118. The Commission decided to bring to the attention of the General Assembly that the above recommendation, with regard to the desirable level and the range for the net remuneration margin, related to the current methodology used for margin calculations. A concise description of the current methodology is to be found in annex I.

119. During the consideration of the matter of the desirable range for the net remuneration margin, the Commission noted the views expressed by the organizations that further studies should be undertaken by the Commission relating to the elements that should be taken into account in the determination of the margin and the quantification of the elements thereof. However, as the organizations had not been able to provide detailed information concerning their proposals, the Commission decided to confirm the definition of the net remuneration margin on the basis currently available. If, however, at the twenty-fourth session the organizations and staff were in a position to provide evidence that would call for a further review the Commission would consider all relevant facts and make appropriate recommendations to the General Assembly.

Modalities for the operation of the post adjustment system within the margin range

120. The General Assembly, in subparagraph 1 (b) (ii) of its resolution 39/27, requested the Commission to submit recommendations to the fortieth session of the Assembly on the technical measures that would be applied by the Commission to ensure that the post adjustment system operated at all times within the framework of the defined margin range. In that respect it might become essential from time to time to ensure that the remuneration at the base of the system, New York (and consequently at other duty stations), was frozen by withholding post adjustment increases that became due. Assuming that the General Assembly approved the United Nations/United States margin range recommended by the Commission, the system in the future could operate as outlined in the following paragraphs.
121. If the margin were higher than the upper limit of the margin range, the Commission would be required to take immediate action to freeze the post adjustment classification in New York. Concurrently, it would also freeze post adjustment classifications of all other duty stations to the same extent as that to which the New York post adjustment classification would be frozen. That process would continue until the margin was reduced to the upper limit of the margin range.

122. Once the margin was within the margin range, the Commission would ensure that it remained there. If a post adjustment class became due in New York, the Commission would study the effect on the margin of granting such an increase. If the resulting margin were to exceed the upper limit of the margin range, the post adjustment increase would not be granted until such a time as the margin (calculated on the basis of United Nations Professional remuneration in New York, including the additional post adjustment class) was to fall within the margin range. For the intervening period, i.e. from the date the New York post adjustment index required the granting of the corresponding post adjustment class to the time that the class was actually granted, the post adjustment in New York would be assumed to be frozen. Post adjustment classifications of all other duty stations would also be frozen to the same extent as in New York.

123. Conversely, if it became evident that even with the application of the post adjustment classes due in New York the margin would drop below the lower limit of the margin range, the Commission would then make appropriate recommendations to the General Assembly to bring the margin within the agreed range. Some members could not agree with this information because it was vague, unclear and out of balance with the very clear actions envisaged in paragraph 122 by the Commission in the opposite situation when the post adjustment for New York exceeded the upper limit of the margin range. These members were of the view that the only correct position for the Commission to take when the New York post adjustment dropped below the lower limit of the margin range was for it to make recommendations to the General Assembly for a salary increase to bring the margin within the agreed range. This would be consistent with its obligation, with its own recommendations on the operation of the margin range and would give rise to no misunderstanding.

124. Also, if on the basis of developments relating to salaries, taxation or other relevant factors affecting the remuneration of the comparator civil service, the Commission were to conclude that the margin range required a modification, it would make recommendations to that effect to the General Assembly. If the General Assembly approved those recommendations then the system would also operate as outlined above, but on the basis of a revised margin range. Unless and until the General Assembly, on the recommendation of the Commission, were to modify the margin range the system would operate within the range approved by the General Assembly.

125. The Commission also considered the possibility of granting partial post adjustment classes in New York while ensuring that the resulting margin remained within the margin range. However, as that procedure would tend to keep the margin near the upper limit of its range, the Commission was of the view that partial post adjustment classes in New York should not be granted.

126. The Commission also considered a procedure whereby no automatic post adjustment increases would be granted at the base of the system, currently New York. Adjustments to the base salaries and/or to the post adjustment payments of Professional staff in New York would be decided upon by the General Assembly on the recommendation of the Commission. The Commission was of the view that the
suggestion for an alternative system whereby no automatic post adjustment increases would be granted at
the base of the post adjustment system, currently New York, and adjustments to the base salaries and/or to
the post adjustment payments of Professional staff in New York decided upon by the General Assembly
each year on the recommendation of the Commission had gone beyond the request made by the General
Assembly since it would imply that the General Assembly would assume direct responsibility for the
operation of the post adjustment system, which was not the stated intention of the Assembly in its resolution
39/27. As the Commission was, through its statute, the body mandated by all the participating organizations
to operate the post adjustment system, it would constitute a breach of the trust and confidence granted by
those organizations in the Commission for the Commission itself to recommend the transfer of an important
function to the legislative body of only one of those organizations without having first heard the views of
the other legislative bodies. Furthermore, this alternative would require an amendment to the statute, which
had been accepted by all participating organizations of the common system. Two members were of the view
that the difficulties outlined above were not of an insurmountable nature in recommending it to the General
Assembly.

Consideration of the legal aspects of a system

127. The operation of the post adjustment system is the responsibility of ICSC and the decisions concerning post
adjustment classifications are taken under article 11 (c) of the Commission's statute. The Commission noted
that any change in that procedure might entail amendment of the statute. As a result those alternative
approaches that would have required the General Assembly to assume the function of applying the post
adjustment at the base of the system and, consequently, at the other duty stations were not further
considered by the Commission.

128. The system outlined in paragraphs 120 to 125 above would enable the Commission to operate the post
adjustment system within the framework of the margin range. The Commission noted that the main concern
of the General Assembly was to ensure that the remuneration of United Nations officials remained within
certain limits in comparison to that of the comparator. Furthermore, the General Assembly had indicated
that the net remuneration margin should not only stay within the specified range but that, over a stated
period of time, the average should be close to the desirable level for the margin, i.e. the mid-point of the
range. The Commission was of the view that all the concerns of the General Assembly could be met if the
Assembly were to agree to the Commission operating the post adjustment system within the net
remuneration margin range. Furthermore, as it would be the Commission that would operate the post
adjustment system, no change in the statute would be called for.

129. If the General Assembly were to approve the recommendations made by the Commission concerning the net
remuneration margin and the operation of the post adjustment system within that range, it might become
essential from time to time for the Commission to apply a freeze to the post adjustment classification of
New York and consequently that of other duty stations. The Commission considered the legal aspects of
such a freeze. In that regard, it recalled that in its fourth annual report it had informed the General Assembly
that should the margin reach a level that was considered to be too high it would take appropriate action
through the operation of the post adjustment system. It further recalled that the General Assembly, by its
resolution 31/141 B of 17 December 1976, had decided that at any time the Commission considered that
corrective action was necessary it should either recommend such action to the General Assembly or, if
urgent action were
required between sessions of the Assembly so as to prevent an undue widening of the margin, the Commission should take appropriate measures within the operation of the post adjustment system. That the Commission might take action within the operation of the post adjustment system with a view to freezing the remuneration of United Nations officials in the Professional and higher categories had been anticipated by the Commission as far back as 1978 and the authority for the Commission to take such action was granted to it by the General Assembly even earlier, i.e. at its thirty-first session. Furthermore, the responsibility for the establishment of the classification of duty stations for the purpose of applying post adjustment had been granted to the Commission under article 11 (b) of its statute. Following approval by the General Assembly of the recommendations of the Commission concerning the desirable range for the net remuneration margin and the operation of the post adjustment system within that range, should it become necessary for the Commission to apply a freeze to post adjustment classifications of New York and other duty stations, it would be taking such action within the mandate given to it and under the statute and the decision would therefore be binding on all organizations of the common system. 8/

Effects of the proposed system on some duty stations

130. The Commission considered the short- and long-term effects of a system entailing the use of a defined margin range, and the operation of the post adjustment system within that range, on those duty stations where the remuneration of United Nations officials in dollar terms was substantially lower than that of their colleagues at the corresponding grade working in New York. Following an examination of available information, the Commission considered that a number of problems appeared to result from a strengthening of the United States dollar in relation to other currencies. Further analysis of the effects of the devaluation of local currency vis-a-vis the United States dollar indicated that such devaluations resulted in a continued change in the relationship between in- and out-of-area components of the post adjustment index. Unless in- and out-of-area components of the post adjustment index for a given duty station were adjusted on a continuing basis between two place-to-place surveys, serious anomalies could be introduced in the post adjustment indices and consequently in the post adjustment classification. The Commission noted that the problems of such duty stations might be further compounded by the proposed system and has therefore asked ACPAQ to study the matter in depth for future consideration by the Commission.

Summary of decisions and recommendations

131. The Commission decided that:

(a) The remuneration in New York should continue to remain at its current level of post adjustment and that immediate measures, as outlined in paragraph 110 above, should be taken to ensure equivalence of purchasing power between New York and other duty stations, pending consideration of the Commission's recommendation by the General Assembly at its fortieth session;

(b) The General Assembly should be requested to approve a range for the net remuneration margin of 110 to 120, with a desirable level of around 115;

(c) The General Assembly should be requested to approve the procedure outlined under paragraphs 120 through 122 above, which would enable the Commission to operate the post adjustment system 9/ within the approved range for the net remuneration margin.
2. Report on the tenth session of the Advisory Committee on Post Adjustment Questions

132. At its twenty-second session the Commission received recommendations resulting from the tenth session of ACPAQ. The recommendations dealt inter alia with the maintenance of equivalence of purchasing power between New York at class 7/+2 (multiplier 43) and other duty stations pending the General Assembly's consideration of the Commission's recommendations on a margin range; the operation of the post adjustment system within a defined margin range; problems relating to duty stations with low or negative post adjustments; separation of the effects of inflation and currency fluctuation within the post adjustment system and establishment of separate rental deduction thresholds within the rental subsidy scheme. The Committee reviewed certain aspects of the methodology for cost-of-living surveys and made appropriate recommendations. It also made recommendations on the construction of a special index for pensioners.

Views of the organizations and staff representatives

133. The Chairman of CCAQ recalled he had previously urged that the relationship between in- and out-of-area components should be studied by ACPAQ, with particular reference to duty stations with very low post adjustment indices. He supported the proposal that a freeze in duty stations other than New York should not apply at duty stations where the remuneration of United Nations officials was substantially lower than that of their colleagues in New York. CCAQ endorsed the recommendations of ACPAQ on the special index for pensioners.

134. The representatives of the Food and Agriculture Organization of the United Nations (FAO) and WHO proposed that the question of duty stations seriously affected by the continued devaluations of local currencies, and in particular those with negative post adjustment classifications, should be addressed by the Committee on a priority basis.

135. The President of FICSA noted that ACPAQ had been presented with a fait accompli by the ICSC with regard to the method for equalizing purchasing power between New York and other duty stations. The method least favourable to staff had been selected. FICSA expressed regret that ACPAQ had not been consulted on the technical issue of applying partial post adjustment classes in New York and requested ICSC to re-examine the issue. For duty stations with low and negative post adjustment classification urgent remedial action was required in addition to not applying the freeze on post adjustment in such duty stations. FICSA endorsed the recommendations for the establishment of rental deduction thresholds. FICSA would be ready to participate in the proposed consultations on the methodology and was of the view that the recommendations on the special index for pensioners were sound although FICSA doubted the need for such an index.

136. The Convenor of CCISUA considered it unfortunate that the Commission had not had the benefit of the advice of ACPAQ before it took a decision on a range for the margin. The present freeze on post adjustment would result in anomalies. He recalled that the New York post adjustment had been adjusted upward by 9.6 per cent precisely to remove existing anomalies. CCISUA welcomed the attention given to the issue of low or negative post adjustment classifications and found the proposals helpful. He called for a full study of the out-of-area progression factor and the question of separation of the effects of inflation and currency fluctuations on post adjustment. CCISUA, further, welcomed the recommendations on rental deduction thresholds. With regard to staff participation in cost-of-living surveys CCISUA
commended the improved process of consultation and expressed the hope that it would continue.

Discussion by the Commission

137. The consideration by the Commission of the recommendations by ACPAQ for the normal operation of the margin is reflected in paragraphs 105 to 125 above. The Commission also considered two other recommendations of ACPAQ: first, that a freeze on post adjustment classification not be applied at duty stations where the dollar remuneration of United Nations officials was less than 70 per cent of that applicable in New York; and second, that for duty stations with very low post adjustment some special measures be applied. The majority of the Commission was of the view that the application of such procedures would entail a departure from the basic principle of equalization of purchasing power and, therefore, could not accept the proposed solutions. Furthermore, as ACPAQ would be considering the problems of staff members stationed at duty stations where the dollar remuneration was low compared to that in New York and where out-of-area commitments formed a large percentage of the total expenditure, the majority were also of the view that, instead of devising an interim solution, ACPAQ should be requested to conclude its studies relating to this matter as early as possible. An alternative proposal from the secretariat to be applied at duty stations with very low post adjustment was also examined by the Commission. For the same reasons the majority also disagreed with the secretariat's proposal. However some members of the Commission considered that there were circumstances where special measures to alleviate the difficulties faced by staff members at a small group of duty stations would be essential and could be applied without detriment to the principle of equalization of purchasing power, as was done currently for duty stations with high inflation, and abrupt or continuous devaluation. They were therefore of the view that special interim measures along the lines suggested by the secretariat should have been adopted in duty stations with very low post adjustment, pending the completion of the study requested from ACPAQ.

Decisions of the Commission

Operation of the post adjustment system within a defined margin range

138. The Commission noted that when the post adjustment classification in New York was "frozen", that of other duty stations concerned should also be frozen. The Commission accordingly approved procedures for the equalization of purchasing power between New York at post adjustment class 7/+2 (multiplier 43) and other duty stations concerned.

139. The Commission further decided that those procedures should be applied in future in the case of all duty stations for the purpose of equalization of purchasing power should it become necessary to suspend implementation of a post adjustment class that became due in New York as a result of the operation of the post adjustment system within a defined margin range.

Separation of the effects of inflation and currency fluctuation within the post adjustment system

140. The Commission took note of views of ACPAQ that it would be most desirable to find a solution that would result in the separation of the effects of inflation and currency fluctuation within the post adjustment system in view of the problems caused by substantial fluctuations of local currency vis-a-vis the United States.
dollar. It therefore decided that ACPAQ should continue its study of that matter on a priority basis and that the Commission would re-examine the need for interim measures at its twenty-third session.

Rental subsidy scheme - establishment of separate rental deduction thresholds

141. The Commission approved the establishment of a separate rental deduction threshold at 64 per cent of the rental subsidy threshold.

Review of the cost-of-living survey methodology

142. The Commission agreed that the next round of place-to-place surveys should begin only after the completion of the present round and after the eleventh session of ACPAQ, at which time recommendations and decisions on the methodological and procedural issues regarding expenditure surveys, pricing and analysis of data and construction of indexes would be finalized. It decided that, for very small duty stations with eligible staff of 10 or less, no family expenditure surveys would be carried out during the remainder of the current round of surveys. In establishing the weights for those locations, account should be taken of the expenditure pattern for other duty stations in the region as well as the social, political and economic situation at the duty station. In the selection of appropriate duty stations in the region, close attention should be paid to the cost of housing.

Special index for pensioners

143. The Commission decided that:

(a) For countries where the 36-month average post adjustment classification was less than, or equal to, a level 15 per cent over the corresponding average applicable in New York, no special indices for pensioners need be constructed;

(b) For countries where the 36-month average post adjustment classification was more than 15 per cent over the corresponding average applicable in New York special indices for pensioners should be constructed only if:

(i) The final average remuneration was based on duty-free prices as a result of the existence of commissaries or other special arrangements that were available to serving staff only; or

(ii) The housing component of post adjustment index was based on the cost of dwellings provided free or at a nominal rent by Governments or organizations;

(c) The proportion of out-of-area expenses should not represent more than 25 per cent of the special index;

(d) The special indices so calculated should be used, in the first instance, to determine adjustments to be made in accordance with the formula approved by the General Assembly;

(e) The first-phase solution, approved by the General Assembly on the recommendation of the Commission, should continue to be used for making further adjustments to cost-of-living differential factors where the rates of taxation on pensions were zero or at a level substantively lower than the rates of staff assessment.
CHAPTER IV
CONDITIONS OF SERVICE IN THE GENERAL SERVICE AND RELATED CATEGORIES

A. Survey of best prevailing conditions of service at Geneva

144. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service of the General Service and related categories at Geneva. The resulting salary scale recommended to the executive heads of the Geneva-based organizations is reproduced in annex VI to the present report. The financial implications of these recommendations amount to $1,572,500 per annum.

B. Survey of best prevailing conditions of service in London

145. The Commission also conducted a survey of best prevailing conditions of service for staff in the General Service category in London. The resulting salary scale recommended to the Secretary-General of the International Maritime Organization (IMO) is reproduced in annex VII to the present report. The financial implications of these recommendations amount to $275,000 per annum.

C. Overtime and shift differentials

146. The Commission considered a proposed methodology for the evaluation of overtime and shift differential policies for application to General Service and related categories of staff.

Views of the organizations and staff representatives

147. The Chairman of CCAQ was of the view that sufficient flexibility should be incorporated in any recommended policy to permit occasional departures from local practice in the light of the needs of the organizations. While all organizations at the same duty station should maintain the same overtime and shift differential policies, the organizations preferred to hold further consultations before proposing specific policy positions. Since overtime and shift differential payments were not now pensionable, CCAQ agreed with the secretariat's recommendation in that regard.

148. FICSA agreed that overtime and shift differential policies should be based on local practice, but suggested that the recommended policies be applied initially to headquarters duty stations for a two-to-three-year period before considering applications to non-headquarters duty stations. Shift differential payments, made to workers regularly required to work a shift, represented normal earnings and should be pensionable.

149. The Convenor of CCISUA questioned whether the recommended overtime and shift differential policies were relevant for non-headquarters duty stations. He further questioned the possibility of applying separate policies to different occupational groups at the same duty station. With regard to pensionability of the payments he suggested that the effect on the actuarial balance of the Pension Fund should be studied.
Discussion and decision of the Commission

150. As a general principle the Commission decided that overtime and shift work should be largely based on prevailing outside practice at each duty station. Therefore, the following data should be collected during each survey of conditions of employment of the General Service and related categories:

(a) The employers' practice concerning the number of working hours after which overtime was paid;

(b) The employers' practice with regard to the rate at which overtime work was paid (or equivalent: time-off conditions);

(c) The qualifying period for which a shift differential was paid;

(d) The amount of the shift differential (percentage over day rates, reduced working hours, payments; for meals and transportation, etc.).

151. The Commission decided that, for a given occupational group, the number of hours after which overtime was paid, the rate of payment and the method of calculation should normally be uniform among organizations at the same duty station and that the qualifying period for, and the amount of, the shift differential should also be uniform among organizations at the same duty station, subject to the need to accommodate special circumstances.

152. In cases where it was not possible for United Nations organizations to adopt in toto the work hours (i.e. the point at which overtime payments began) of outside employers, the Commission decided that the overtime rate might be determined at a level above or below that indicated by local practice to a maximum of plus or minus 15 per cent to account for the difference in work hours.

153. The Commission, furthermore, decided that neither overtime nor shift differential payments should be pensionable. The Commission also decided that once overtime and shift differential policies were determined, those policies should be maintained unless significant change occurred in local conditions as verified by either a change in national legislation or national labour contracts.
CHAPTER V
CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES

A. Health insurance

154. The Commission noted that the General Assembly in its resolution 38/232 of 20 December 1983 had requested the Commission to undertake a comprehensive review of after-service health care coverage, with particular attention to locally recruited field staff. By resolution 38/235 of the same date the General Assembly had also requested the Commission to study the issue of mandatory health insurance.

155. With regard to after-service health insurance, results of an analysis of data collected from the organizations were considered by the Commission. Based on the data received, two issues were identified for the Commission's consideration: (a) the uniformity of after-service health insurance eligibility criteria, and (b) the availability of after-service health insurance coverage for participants in in-service schemes.

156. It was noted that the criteria used by the organizations to determine whether or not a staff member and his or her dependants were eligible to participate in the after-service health insurance plan of the organization varied between organizations. It was further noted that all organizations provided after-service health insurance coverage to separating staff except for those United Nations staff covered by the in-service scheme described in appendix E of the United Nations Staff Rules. Staff covered by those rules were the locally recruited staff at field duty stations. The Commission took note of a report by a representative of the United Nations that the immediate establishment of after-service health insurance coverage for staff covered by the appendix E health insurance scheme would cost approximately $80,000 per annum.

157. The issue of mandatory health insurance had been addressed by CCAQ at the Commission's twenty-first session. At that time the Chairman of CCAQ had reported to the Commission that all organizations with the exception primarily of organizations at New York Headquarters required health insurance coverage for staff members and that CCAQ concluded that the health insurance coverage should be mandatory for all staff members.

Views of the organizations and staff representatives

158. The Chairman of CCAQ recognized that there were some differences in the eligibility criteria for after-service health insurance. At the twenty-second session and after further study, he agreed with the general tenor of the recommendation, that eligibility criteria for after-service health insurance coverage should be established in such a way as to ensure that staff with identical qualifications could be determined to be eligible under the various health insurance schemes of the organizations. Among the issues that needed to be further explored were the definition of the word "mandatory", which could apply to either participation or coverage.

159. The President of FICSA emphasized the need for the organizations to provide after-service health insurance to former staff and trusted that an early solution would be found for those locally recruited General Service staff in the field who were at present covered by appendix E. While full uniformity for all organizations
was not necessary, the eligibility criteria should be harmonized to facilitate the mobility of staff. FICSA supported the request of FAFICS that retired staff should have appropriate representation on health insurance committees. With regard to mandatory insurance coverage, FICSA considered it imperative that all organizations provide coverage to all staff and their dependants. The actual implementation of the rules should be left to the organizations, in full consultation with the staff.

160. The Convenor of CCISUA agreed with the recommendation to establish greater uniformity in the after-service health insurance eligibility criteria of the organizations so long as no further restrictions were imposed. With regard to staff of the United Nations covered under appendix E, he hoped that the report expected from the United Nations would be available in the near future. He endorsed the recommendation for mandatory health insurance coverage from a standpoint of both social policy and cost effectiveness. He recommended that the exceptions to mandatory coverage should be studied carefully and should be kept to a minimum.

161. The representative of FAFICS supported the recommendation that uniform eligibility criteria for after-service health insurance should be established among all organizations; such insurance should be available to all categories of retiring staff; and health insurance participation should be mandatory for all staff members while in-service. Since there was a wide variation in the system of cost-sharing by pensioners, she hoped that the Commission would consider contributions by pensioners as a common system matter. The United Nations was considering an arrangement whereby contributions of pensioners would be based on the net equivalent of the gross pension after application of staff assessment, that being consistent with the contributions of active staff members made on the basis of net salaries. A possible reduction in contributions by pensioners was also under consideration based on the length of their participation while in-service. FAFICS supported those approaches. FAFICS urged that representatives of former staff members should be permitted to participate regularly in the activities of the respective health insurance committees of all organizations.

Discussion and recommendation of the Commission

162. The Commission endorsed the recommendation that after-service health insurance should be provided to staff who participated in the United Nations appendix E health care scheme, and recommended that appendix E be reformulated to permit a staff member to contribute and to permit an after-service health insurance benefit structure comparable to other schemes of the common system.

163. The Commission endorsed the principle that eligibility criteria for after service health insurance should be established to ensure that staff with identical qualifications be determined eligible under the various schemes of the organizations. The Commission also expressed the hope that arrangements would be made, if not already concluded, for retired staff to be consulted on after-service health insurance schemes, including cost-sharing.

164. The Commission considered that health insurance should be mandatory. However, the exact application of the concept of mandatory health insurance should be left to the organizations to determine. The Commission further considered that mandatory participation in an organization's health care scheme should primarily apply to those staff members who were not covered by any other health care scheme and staff members who did not participate in the health insurance schemes of the organizations should exempt the organizations and the host Government from all responsibilities for non-service-incurred health problems.
B. Long-service step

165. In its tenth annual report to the General Assembly the Commission had recommended that "an additional step be introduced into the salary scales for long service at the levels P-1 to P-5". The General Assembly had, however, not acted upon the recommendation of the Commission but, in view of the present divergent practices of the organizations had, by resolution 39/69 of 13 December 1984, section II, paragraph 2, requested the Commission "to review the practices of the organizations of the United Nations common system as regards long service steps for staff in the Professional category (and) to examine ways in which uniformity on this question may be established within the common system".

166. At its twenty-second session the Commission had received indications from the representatives of the International Labour Organisation (ILO) and WHO that their organizations did not intend to change their present system of long-service steps. The Commission understood, however, that United Postal Union (UPU) would reconsider its policy on long-service steps in the light of any common policy that might be approved.

Views of the organizations and staff representatives

167. The Chairman of CCAQ reported to the Commission on the recommendation of the latter in respect of a long-service step for the General Service and related categories. All organizations were proceeding to implement that decision.

168. The representative of WHO recalled that the scheme for long-service steps in his organization had been introduced in 1968 on the occasion of the organization's twentieth anniversary in "tangible recognition" of the long and faithful service of its staff in the cause of world health. The scheme had been reported several times at the inter-agency level, beginning in 1970; it was not the intention of WHO, at the present time, to change its present policy in respect of such long-service steps.

169. The representative of ILO noted that the ILO scheme for long-service steps had been introduced about six years ago following several years of negotiation with the staff, as part of a package of measures on career development. The ILO Governing Body had been informed of General Assembly resolution 39/69, but had decided that no change should be made in the present scheme. However, the ILO Governing Body was scheduled to undertake a full-scale review of personnel policies in November 1985.

170. The representative of UPU reported to the ICSC secretariat that his organization awaited further review of the matter by the Commission.

171. The President of FICSA noted that the General Assembly had not acted on the Commission's proposal to introduce one additional long-service step for the Professional category since it had objected to more favourable systems existing in three organizations. The attitude of the General Assembly amounted to depriving staff in most organizations of an advantage that the Commission recognized should be granted to them, or penalizing them for the fact that their colleagues in other organizations were enjoying more favourable treatment. FICSA therefore urged the Commission to reiterate the proposal it had submitted to the General Assembly in 1984.

172. The Convenor of CCISUA regretted that the General Assembly had not taken
action on the Commission's recommendation. Since there was no additional information as a result of the present position of the organizations, he considered that the Commission should restate its recommendation to the General Assembly. He shared the views of FICSA that a benefit more advantageous for a few should not impede the granting of a lesser degree of relief for others.

Discussion and recommendations of the Commission

173. The Commission considered the views expressed by the organizations but was of the opinion that long-service steps were not an element of salary policy that could be considered as being an acquired right. The Commission recognized the right of individual governing bodies that had instituted such schemes to maintain them, but also stressed that a harmonization of practice would be most desirable.

174. The Commission decided to advise the General Assembly that it would maintain the recommendation made in its tenth annual report on a long-service step for the Professional category. The updated financial implications of this recommendation are $300,000 per annum. At the same time the Commission observed that the position of WHO and ILO was that their current practices concerning long service steps should be maintained. The General Assembly, however, might wish to make representation to the governing bodies of those two organizations with the request that they consider a harmonization of practices within the United Nations common system. At the same time the Commission decided to request the executive heads of ILO, WHO and UPU to consider ways of harmonizing their practices with those of other organizations of the United Nations common system, along the lines recommended by the Commission, and to place this matter before their governing bodies.

C. Support of staff with disabled dependants

175. In response to requests by FICSA and CCAQ, the Commission addressed the issue of support for staff with disabled children at its twenty-first and twenty-second sessions.

Views of the organizations and staff representatives

176. The representative of CCAQ introduced a document prepared by the organizations. Their proposal to double the allowance for disabled children took into account the practice followed by the European Economic Community (EEC) and the European Organization for Nuclear Research (CERN). CCAQ felt that only the first $US 500 of the children's allowance should be doubled. Thus, the difference in the level of salary of one group of staff would not be favoured over that of another. Where staff members have to place a child in an institution away from the duty station because adequate facilities were not available, then two trips each year might be authorized at the discretion of the executive heads, under provisions for special education grant travel. If special local transportation were required, the organization proposed to reimburse up to two times the amount allowed for normal group transportation arrangements. If the cost of special equipment could not be met in this way, then the costs involved should be reimbursed up to a maximum of $US 1,000.

177. The President of FICSA recalled the proposals of the Federation on support for staff with disabled dependants, as presented to the Commission's twentieth session. FICSA expressed satisfaction at the thorough studies carried out by CCAQ.
and the Commission's secretariat whose findings coincided to a large extent with its own proposals. FICSA could accept the CCAQ proposal for doubling the first $US 500 of the children's allowance, while still maintaining that doubling of the total allowance was justified. FICSA suggested the monitoring and updating of these flat amounts. FICSA supported the proposal to waive the lower age limit for the special education grant and stressed the importance of waiving the upper age limit in exceptional cases. FICSA also supported the proposals made by the ICSC secretariat with regard to the frequency of special education grant travel and travel assistance for an accompanying adult.

178. The Convenor of CCISUA stated that the documents before the Commission were thorough analytical papers containing concrete proposals. He agreed with the FICSA proposal that the upper age limit be waived at the discretion of the executive heads. The organizations should also address the issue of health education and provide more information to the staff through the medical directors and administrations.

Discussion and recommendations of the Commission

179. The Commission considered a request that the first $US 500 of the amount of the dependency allowance for disabled children should be doubled. It was, however, of the view that the recommendations to be found below would enable staff members to meet those real costs incurred as a result of the education and rehabilitation of dependent disabled children. Consequently, it could not agree to the proposal to increase the dependency allowance.

180. The Commission recommended that effective 1 January 1986:

(a) At the discretion of the executive heads, the lower age limit for the payment of the special education grant for disabled children be waived;

(b) In exceptional cases the executive heads might extend the age limit for the payment of the special education grant to age 28;

(c) In those instances where the staff member had to place a disabled child in an educational institution away from the duty station, expenses relating to special education grant travel should be reimbursed up to the cost of two trips per annum between the educational institution and the duty station;

(d) In very exceptional circumstances, and at the discretion of the executive head, travel expenses might also be reimbursed for the person accompanying a disabled child;

(e) Expenses for special equipment required for the rehabilitation of a disabled child be reimbursed, if not otherwise covered under health insurance, up to a maximum of $US 1,000 per annum;

(f) The limit for the reimbursement of medical expenses incurred on account of a disabled child of a staff member be increased in the case of staff members covered under appendix E of the United Nations Staff Rules;

(g) Transportation costs up to twice the reimbursement made for normal group transportation arrangements might be reimbursed for local transportation required for disabled children.
181. The Commission requested the organizations to:

(a) Provide greater information to locally recruited staff at field duty stations concerning disabilities - their causes, prevention and rehabilitation;

(b) Assist locally recruited staff in the field in the preparation of appropriate submissions to the headquarters medical authorities for benefits under the above provisions.

182. The financial implications of the above recommendations for all organizations are estimated at $US 150,000 per annum.

D. Education grant

183. By resolution 38/232, section III, paragraph 4, the General Assembly requested ICSC to "conduct a study of the education grant, the purpose of which was to facilitate a child's reassimilation in the staff member's home country". Earlier, by resolution 36/233 of 18 December 1981, section III, paragraph 2 (b), the Assembly had requested the Commission to undertake a review of the "scope and purpose of the education grant".

184. The Commission recalled that it had made in-depth studies of the education grant in 1976, 12/1978 13/ and 1982 14/ and had reported thereon to the General Assembly in its annual reports for those years. The Commission noted that in 1976 it had recommended removal of the restriction that had, up to that time, been placed on post-secondary education, by extending applicability of the grant to the duty station of the staff member. That had been done on the basis that economies might result and that the restriction was illogical in the light of overall practice with respect to the education grant.

185. In its fourth annual report in 1978, the Commission had examined, in detail, a number of questions relating to the education grant and, in particular, its application to studies in a country other than that of the home country or the country of the duty station. The Commission had been satisfied that good reasons existed for supporting education in a third country (non-availability of schooling at the duty stations, linguistic problems, etc.). The Commission had expressed the view that although "the existing rules may permit some cases which go beyond the recognized purpose 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". 15/ At the same time, the Commission had reaffirmed its earlier recommendation concerning post-secondary studies at the duty station.

186. In its review of the education grant in 1982, the Commission had focused on the upper age limit of the grant. It had noted that, in general, there had been an increasing expansion of higher education possibilities in most Member States and that the upper age limit for eligibility could best be defined by the point in time that a first degree course ended, since that varied from system to system.

Views of the organizations and staff representatives

187. The Chairman of CCAQ, on behalf of the organizations, noted the contents of the secretariat's document.
188. The President of FICSA also noted the contents of the document, which he considered to be a good and interesting study of the historical evolution of the education grant. He expressed the hope that the conclusions and recommendations contained therein would be endorsed by the Commission.

189. The Convenor of CCISUA recalled the long-standing position of the staff, which was that the education grant should, as a matter of social policy, be extended to all staff. He reminded the Commission of the United Nations Children's Fund (UNICEF) Declaration on the Rights of the Child. CCISUA was surprised that the secretariat had concluded that no new developments had taken place to warrant a change in application of the education grant. Aspects of the issue that should have been considered were:

(a) whether quality public education was readily available in all duty stations;
(b) whether there were special expenses incurred in educating dependants that were not accounted for through the dependency allowance calculation;
(c) how relevant was the expatriation factor in the light of the percentage of locally recruited staff being non-nationals of the country in which they served and whether the grant had become a means of subsidizing educational expenses for some groups of staff. CCISUA urged that those issues be addressed in a timely way to ensure that the gap was not further widened between the "haves" and the "have-nots".

Discussions and recommendations of the Commission

190. The Commission noted the request made by the representative of CCISUA that the grant be extended to cover all staff, including those in the General Service category. The Commission noted that General Service staff were subject to conditions of employment determined by reference to best prevailing local conditions. Wherever such local conditions included support for education, in the form of allowances or through taxation, this was appropriately accounted for in the development of the salary scales or allowances. The Commission, therefore, found no justification for extending the education grant to those staff.

191. After reviewing the issues raised by the General Assembly, and considering the relevant decisions made in the past by it and its predecessor bodies, the Commission decided:

(a) To reaffirm the position taken by the Commission at its sixteenth session and reported to the General Assembly in its eighth annual report 16/ that there would appear to be no need to make any changes in the criteria for application of the education grant at the present time, including its application to university level study;

(b) To confirm that the Commission was also of the opinion that the practice of recognizing post-secondary institutions outside the home country or the country of the duty station was still justified;

(c) To reiterate its earlier view that the education grant should continue to be an expatriate benefit to be granted only to those with expatriate status, with the exception of those nationals returning to their home country following an assignment elsewhere who were allowed to claim the grant for the balance of a school year, not exceeding one full year.
CHAPTER VI
CONDITIONS OF SERVICE IN THE FIELD

192. At its twenty-first and twenty-second sessions, the Commission continued its study of a broad range of issues relating to conditions of service in the field. At its twenty-first session, it had received reports from the organizations on a number of issues, which included, inter alia, problems of communications, employment opportunities for spouses and shipment of personal effects. At its twenty-second session, the Commission considered three main issues: the uniform application of allowances and benefits at field locations, the pre-departure allowance and the conditions of service faced by staff in Lebanon.

View of the organizations and staff representatives

193. The representative of the United Nations Development Programme (UNDP), speaking on behalf of CCAQ, reported on the results of a CCAQ Working Group on Conditions of Service in the Field. The organizations agreed that a greater degree of uniformity was more essential in field locations than at larger offices. The Chairman of the Commission had drawn the attention of the organizations to several areas in which greater harmony and closer consultation would be desirable. The organizations had agreed that a greater degree of uniformity was required in the way in which a supplement to the daily subsistence allowance might be paid. As regards application of the extended installation allowance and aspects of housing and furniture provision, the organizations had concluded that closer co-operation at the field level would be desirable, as suggested by the Chairman of ICSC. The organizations would endeavor to improve that aspect of co-ordination where possible. All organizations were implementing rental subsidies but CCAQ believed that refinements concerning the recognition of sub-standard housing and the creation of a rental deduction threshold would facilitate more uniform implementation. The organizations drew a distinction between the need for a methodology for comparison of conditions of service in the field and the need for periodic surveys of conditions of service in other organizations or national services. A methodology per se might imply a predetermined approach to establishing conditions of service that could commit the Commission and the executive heads. Finally, the representative of UNDP informed the Commission that the salary survey manual for non-headquarters duty stations had been approved by CCAQ effective 1 July 1985 and was currently being used. CCAQ also requested the Commission to consider the level of the assignment allowance as part of its 1986 work programme.

194. The representative of the United Nations presented a document prepared by CCAQ concerning the need for exceptional and ad hoc financial arrangements for staff serving in Lebanon. The organizations proposed that Professional as well as other international staff should receive an ad hoc exceptional compensation of $US 550 per month (approximately 20 per cent of the net salary at P-4, step V, single rate) and that General Service staff should receive a bonus equivalent to 20 per cent of their net base salary.

195. The Assistant Secretary of CCAQ introduced a document prepared by the organizations. CCAQ noted that mobility of staff had been one of the reasons prompting the adoption of such a reimbursement. The organizations had considered it illogical to reimburse pre-departure expenses from field duty stations for staff reassigned to headquarters and not make reimbursement for the same staff in the
reverse situation. The organizations, therefore, suggested that such reimbursement be applied also to headquarters duty stations. At the same time the organizations had agreed to conform their practice and to cease payment of such expenses to staff who were separating from service, that being one element that they believed that the original formulation of the benefit had left open to interpretation.

196. The representative of FICSA referred to recognition by the Working Group of the need for a more structured approach in the consideration of field issues, and their conclusion that a methodology might hinder efforts to improve conditions. Surveys of conditions of service in the field should continue on a regular basis. Such surveys should be flexible enough to account for the diverse conditions in different field duty stations. The apparent differences in the application of benefits and allowances, a question that the Chairman of ICSC had raised, were of concern to FICSA because of their possible adverse effect on staff morale. FICSA hoped that the Commission would accept the recommendations on exceptional financial arrangements for staff serving in Lebanon, as well as on the extension of the reimbursement of pre-departure expenses.

197. The Convenor of CCISUA supported the positions taken by CCAQ and FICSA that periodic surveys of field conditions were useful, but that a precise methodology was less desirable. CCISUA also supported the proposals made in respect of pre-departure allowances and for staff in Lebanon. However the payment of pre-departure allowances on separation was considered by the staff to be justified and the practice should be continued.

Discussion by the Commission

198. The Commission welcomed and noted the initiatives taken by the organizations to improve conditions of service in the field. It also noted the organizations’ attempts to achieve a greater degree of uniformity in implementation of allowances and benefits at the field level. The Commission expressed its displeasure at the interpretation given by some organizations to its promulgated decision, made in its ninth annual report, concerning reimbursement of pre-departure expenses. The Commission recalled that the issue had been discussed and the remedy developed in the light of the specific needs of certain field locations where, for example, there were considerable difficulties concerning the shipment and clearance of freight. It was clearly the intention of the Commission that the measures taken were related to staff proceeding from one field assignment to another. The Commission expressed its concern for the conditions of service of staff currently working in Lebanon and concluded that a further financial incentive would be desirable.

Decisions of the Commission

199. In respect of payment of pre-departure allowances, the Commission decided to draw to the attention of the organizations the irregularity that had occurred in their interpretation of the Commission's decision on such reimbursement. Pre-departure expenses were not to be reimbursed upon separation of a staff member from service. The Commission, furthermore, could not agree to review extension of the current scheme to cover locations other than in the field in the context of field conditions. The Commission's secretariat was, however, requested to study the need for pre-departure expenses to be reimbursed at other duty stations outside the context of field issues and to report thereon to the Commission.
Concerning the situation of staff serving in Lebanon, the Commission recognized that a special situation existed that called for an *ad hoc* remedy. It therefore decided that:

(a) Staff in the Professional and higher categories as well as other internationally recruited staff in specified duty stations in Lebanon should receive an incentive of $US 550 per month while the emergency lasts, at an estimated annual cost of $147,000,

(b) Staff in the General Service category should receive an incentive equivalent to 20 per cent of their base net salary, subject to their continued attendance at work, at an estimated annual cost of $75,000;

(c) The Chairman of the Commission should be delegated to keep the issue under review and to consult with the appropriate Headquarters officials responsible for security co-ordination, to determine if a change in conditions of service occurs;

(d) As soon as an improvement in conditions of service occurred, the Chairman would decide on the appropriate course of action, which could include reverting to the payment of an allowance for hazardous duty stations, which was based on level I or level II of the financial incentives for staff in the Professional and higher categories and other internationally recruited staff, and on 10 per cent of base net salary for staff in the General Service category;

(e) The above measures should come into effect on 1 July 1985.
CHAPTER VII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 13 OF ITS STATUTE

A. Review of the implementation of the Master Standard

201. The Commission reviewed a report on the implementation of the Master Standard during the period 1981-1983, which provided an overall analysis as well as the results and status for each organization separately.

202. The Commission noted that the total percentage of upgradings resulting from implementation of the Master Standard exceeded the percentage of upgradings that had occurred at the time the Master Standard was tested in 1981. However, since several organizations with large numbers of posts in the field had not submitted final statistics, the Commission considered it premature to draw conclusions from this discrepancy. There was a marked tendency for jobs classified using the Master Standard to be more numerous in those job families and fields of work covered by Tier II job classification standards, possibly indicating that the need did exist for specific guidance, as foreseen by the Commission at the time of promulgating the Master Standard, and that the development of Tier II standards should continue for well-populated common fields of work.

203. The current status of statistics reflecting the distribution of jobs by type of work made it difficult to identify numbers or locations of jobs in different types of work; the implications of that gap in the data base for the development of human resources planning were serious enough that the organizations might wish to undertake some immediate remedial action. The Commission found no correlation between implementation rates and size of organization, turnover rates, or size of classification staff available. One factor, however, that seemed to vary somewhat with the rate of implementation was the administrative approach taken by the organization. Organizations nearing full implementation had all taken a full survey approach, while those organizations with less than 30 per cent implementation had used a job-by-job approach, applying the Master Standard to jobs as vacancies occurred.

Views of the organizations and staff representatives

204. The Chairman of CCAQ observed that the approach taken by individual organizations reflected their considered assessment of the pace at which they could realistically implement the Master Standard.

205. The Vice-President of FICSA emphasized the need for transparency, flexibility and the maximum possible staff participation at all stages, including the development of internal appeals procedures for job classification problems.

206. The Convenor of CCISUA spoke of the need to consider application of the Master Standard as a preliminary tool within the overall context of human resources planning.

Conclusions and recommendations of the Commission

207. In the absence of statistics adequately reflecting the distribution of the different types of work in the common system, the Commission expressed concern that the Common Classification of Occupational Groups (CCOG), promulgated to enable organizations to develop such statistics, had not yet been implemented fully.
In view of reports from the organizations reflecting implementation of the Master Standard from 1 January 1981 through 31 December 1983, and in the light of the analysis presented by its secretariat, the Commission:

(a) Noted that the rate of implementation achieved by organizations overall (32.4 per cent) exceeded the rate that would have been achieved if all organizations had chosen the most modest of the three optional approaches recommended by the Commission, i.e. the job-by-job approach, which would have led to an estimated implementation rate of 27 per cent;

(b) Requested those organizations that had chosen the selective job-by-job implementation approach to consider adopting the full-survey or segmented-survey approach in order to accelerate the implementation process;

(c) Noted the continued high rate of confirmation by the Master Standard of existing classified levels and that a few organizations not submitting final statistics had achieved substantial degrees of implementation;

(d) Concluded that the Master Standard was being generally applied throughout the common system;

(e) Requested organizations that had not yet submitted complete statistics for 1981-1983 to do so. No further detailed statistics on initial implementation would be needed from organizations where the rate of implementation had exceeded the minimum requested (i.e. exceeded their accumulated rate of turnover for 1981-1983), since periodic progress reports would suffice;

(f) Requested organizations with implementation rates lower than their accumulated rate of turnover for 1981-1983 to provide, at the twenty-third session of the Commission, further statistics reflecting the progress of implementation, including an analysis of any difficulties faced and an indication of the organization’s plans for pursuing implementation;

(g) Noted that coding of jobs according to occupation was a key element in the implementation of human resources planning, and requested CCAQ to inform the Commission at its twenty-third session, if possible, of its plans to inventory types of work for that purpose.

B. Application of the Master Standard to project posts

The Commission had before it the final report of the testing team on the application of the Master Standard to project posts, in which both CCAQ and the ICSC secretariat had participated. In the final phase of the exercise, the testing team had developed specific guidelines that would ensure that the Master Standard could be applied to project posts using adaptive interpretations. The testing team proposed a supplement to the Master Standard to be used when grading the content of project jobs, as well as a job description format intended to provide guidance in gathering information needed to grade project posts correctly.

Views of the organizations and staff representatives

The Chairman of CCAQ reminded the Commission of the formal reservations already expressed and maintained by a number of organizations concerning the desirability of applying the Master Standard to project positions.
211. The Vice-President of FICSA said that considerations extraneous to job content, such as supply and demand for expertise and difficulties at the duty station, should not be reflected in the classification of posts, but should be compensated through special indemnities and incentives. FICSA cautioned against rigid application of the standards.

212. The Convenor of CCISUA introduced a document outlining the Committee's concern. CCISUA felt that given the difficulty in accounting for some elements outside job content, further efforts were needed to define and apply them more precisely. Proper training of classification officers and on-site audits were essential.

Discussion by the Commission

213. In considering promulgation of the proposed supplement and job description format, the Commission noted that CCAQ, throughout the various phases of testing, had cautioned that not all agencies were in a position to grade project posts solely on the basis of job content. On the other hand, since testing was initiated at the specific request of agencies planning to grade project positions on the basis of job content, the Commission considered that a common implementation policy remained both desirable and possible.

Decisions of the Commission

214. The Commission therefore decided to%

(a) Note with appreciation the report of the testing team;

(b) Promulgate a supplement to the Master Standard as it appears in annex VI of the report of the Commission's twenty-first session as the appropriate classification instrument, to be applied in conjunction with the Master Standard to determine the job content level of project positions;

(c) Recommend the use of a job description format also contained in annex VI of the report of the Commission's twenty-first session so as to ensure the provision of full information on all the factors relevant to the classification of project positions.

C. Development of Tier II grade-level standard for public information specialists

215. At its twenty-first session the Commission reviewed draft job classification standards for public information specialists. Those standards were based on descriptions of existing jobs as submitted by organizations, and had been developed following the methodology for expanded consultations approved by the Commission at its fourteenth session.

Views of the organizations and staff representatives

216. The Chairman of CCAQ said that the organizations agreed to the promulgation of the standard.

217. The FICSA representative regretted the absence of the recruitment standard "ability to write journalistically" from the descriptive standard for grades P-2
and P-3. FICSA said that equivalent United Nations experience should be considered in lieu of an advanced university degree in the standard for grade P-4.

218. The Convenor of CCISUA referred to the specific comments presented to ICSC in the form of a document. The comments included the absence of the P-1 level from the standard, lack of clarity between levels P-2 and P-3 and exclusion of photojournalists and cinematographers from the standards.

Discussion and decision of the Commission

219. The Commission expressed concern that the organizations had not submitted any positions at the P-1 grade level for inclusion in the standard and recalled that the Tier II standards for auditors, translators, economists and civil engineers also had not contained a grade-level description for the P-1 level. The Commission, therefore, felt the need to stress the importance of P-1 as an entry level for all occupations, and expressed its intention to pay particular attention to that subject in its forthcoming study on special recruitment measures for young people.

220. The Commission concluded that the grade-level standards presented reflected the actual situation in the organizations at the present time, and consequently promulgated the Tier II standards for public information specialists for implementation by the organizations with immediate effect, in accordance with article 13 of its statute.

D. Development of Tier II grade-level standards for financial management specialists

221. The Commission considered a draft Tier-II standard for the field of work of financial management specialists. The draft was a reformulation of a standard for that field of work considered by the Commission at its twentieth session and subsequently revised through a joint effort of the Commission's secretariat and CCAQ.

Views of the organizations and staff representatives

222. The Chairman of CCAQ noted that the standard before the Commission was the joint product of the CCAQ Sub-Committee on Job Classification and the ICSC secretariat. Since the standard no longer contained an overall categorization of organizations according to size, CCAQ was able to endorse it and to recommend it to the Commission for promulgation.

223. The representative of FICSA noted the Federation's participation in the CCAQ Sub-Committee on Job Classification. Since testing had indicated that the standard was reliable, FICSA had no objection to its promulgation, on the understanding that staff in the field of work concerned had been given the opportunity to comment on the revised standard.

Decision of the commission

224. The Commission decided to promulgate the standard for immediate application by organizations. The Commission further noted criteria for acceptance of Tier II standards.
E. Development of classification standards for the General Service and related categories at Vienna

225. The Commission reviewed a report from the Vienna-based organizations on progress in developing a job classification standard for the General Service and other locally recruited categories at Vienna. The Commission provided guidance for the project by taking a number of decisions concerning methods to be used and agreed to a request from representatives of organizations and staff at Vienna to delay the salary survey scheduled in 1986 in order to extend the time available to complete the exercise. The Commission will examine the progress made in the job classification exercise at its twenty-fourth session in 1986 and, in the light of that consideration, determine the issue of the General Service salary survey.

F. Development of classification standards for the General Service and related categories at Addis Ababa

226. In reviewing the proposed standards for the General Service staff at Addis Ababa, the Commission noted that the main issues involved were the adequacy of the job sample, the appropriateness of developing a point-factor standard and the reduction in the number of grade levels. The Commission concluded that those issues had been resolved in a satisfactory manner, with full collaboration between the organizations and the staff involved. The standards proposed fully met the criteria established by the Commission for identifying the correct number of grade levels and the standards had been demonstrated to be reliable and valid within the limitations of the sample.

Views of the organizations and staff representatives

227. The representative of the United Nations observed that the proposed standards had increased the number of grade levels from five to seven while the development of standards at Addis Ababa envisaged a reduction of the present number of levels from nine. The procedures recommended by the Joint Committee were primarily intended for the secretariat of the Economic Commission for Africa (ECA); a number of other organizations had already established procedures that had to be taken into account. He requested the Commission to recommend the standards for future use.

228. CCAQ noted that its Sub-Committee had found that the standards were compatible with the world-wide scheme of standards for such duty stations.

229. The Convenor of CCISUA endorsed the recommendations made by the United Nations.

Decisions of the Commission

230. Taking into account that the standards would be the first promulgated by the Commission that would reduce an established number of grade levels, the Commission decided to;

(a) Promulgate the proposed standards, consisting of a point-factor matrix, the point ranges for grades, a glossary of terms, benchmark jobs and guidelines for application, for full and immediate co-ordinated implementation by all common system organizations at Addis Ababa;

(b) Request that more benchmark jobs be developed during implementation for
addition to the standard, in order to illustrate jobs that might include a broader variety of functions (as was often the case in smaller organizations) and jobs in highly visible specializations occurring in only one agency (e.g. printers), as well as other jobs needed to clarify job-level distinctions of particular categories and that these be proposed to the Commission at its twenty-third session;

(c) Inform the organizations that the standard should be the basis for identification of benchmarks, grade levels and weights for the next salary survey, and that all covered jobs in all organizations in Addis Ababa should be classified prior to initiation of the next salary survey;

(d) Request organizations at Addis Ababa to create a mechanism to ensure co-ordinated implementation of the standards, as well as their uniform application, and to inform the Commission at its twenty-third session of the measures taken for managing the transition from nine to seven grade levels;

(e) Request organizations to utilize the improved management structure provided by the standards to develop corresponding career development policies;

(f) Request organizations to complete the occupational classification of jobs in the General Service and related categories using the CCOG prior to identification of a representative sample of jobs for salary survey purposes.

G. Development of classification standards for the General Service at Baghdad and Santiago

231. The Commission agreed to a request from the United Nations Under-Secretary-General for Administration and Management to endorse two projects for the development of classification standards for the General Service and related categories in the duty stations of Baghdad and Santiago under article 13 of its statute. The Commission decided to place the two projects under its aegis, and designated the United Nations as lead agency. It furthermore called the attention of the organizations to the guidelines and criteria it had developed for that purpose, and requested that a draft standard be presented to the twenty-fourth session of the Commission.

H. Development of classification standards for the General Service in small- and medium-sized field offices

232. At its twenty-first session, the Commission reviewed a paper by CCAQ reporting its progress in developing classification standards for small- and medium-sized field offices. CCAQ had undertaken the project to ensure equity in the grading of General Service posts in established field offices. CCAQ had decided that a benchmark type of standard would be developed to cover posts in established field offices, excluding posts in duty stations with large regional commissions. Benchmarks developed would be used both for job classification and in job matching for salary surveys. The organizations intended to present draft standards to the Commission at its twenty-second session.

233. The Commission had welcomed the initiative taken by the organization and concluded that the benefits of standards developed could go beyond ensuring equal pay for work of equal value, to establishing a basis for an increased
inter-organizational exchange at the level of field duty stations by providing a common concept of entry-
level standards and requirements, a common approach to job related promotion criteria and a framework for
common training opportunities.

234. At its twenty-second session, the Commission received a report from the representative of CCAQ covering
progress made in developing standards. CCAQ had agreed on benchmarks for use in duty stations having an
appropriate grade structure. While the benchmarks were adequate for the jobs they covered, the
organizations were concerned about jobs not covered and one-of-a-kind or composite jobs. The
organizations had considered developing a support or "master" standard to supplement the benchmarks.
However, several issues remained unresolved, among them the number of grade levels at all duty stations
that were not yet uniform and the concern as to whether the utility of the support standard would justify the
time and effort necessary to develop it. On the basis of those considerations, the CCAQ had decided to set
aside work to develop a support standard and to finalize the standard for presentation to the Commission at
its twenty-third session. The need for a support standard could be reviewed after experience with the
application of the benchmarks.

Discussion and decision of the Commission

235. The Commission noted the CCAQ report but regretted that development of the standard had still not been
completed for consideration at, its twenty-second session. While agreeing to postpone consideration of the
standard until its twenty-third session, the Commission reiterated that a standard was needed as soon as
possible for application in conjunction with the general methodology for salary surveys at non-headquarters
duty stations.
CHAPTER VIII

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 14 OF ITS STATUTE

A. Human resources planning for non-professional staff

236. As a result of two symposia on human resources planning for non-Professional staff, which had been held under the aegis of the Commission, a number of possible actions were identified that would be in the interests of both the organizations and the staff. The Commission concluded that the two symposia had led to many valuable recommendations. It noted a large measure of compatibility between the positions of the staff and the organizations and expressed its satisfaction with the thorough consideration CCAQ had given to the issues. In addition, the Commission expressed its agreement with the position taken by the organizations on the need for a dynamic staff training programme, including on-the-job training. It noted the close linkage between human resources planning and questions of budget and programming, and reiterated that job classification could provide the appropriate structure for career development by clearly delineating levels of responsibility and elements of job content that allowed for a grouping of positions on an occupational basis.

Views of the staff representatives

237. The FICSA representative, in introducing the Federation's document, noted that several elements were necessary for the integration of human resources planning into the general personnel policy framework in the organizations, such as an adequate appraisal system, a dynamic staff training programme and career planning systems. Where a qualified non-Professional staff member competed for a Professional-level post, the factor of geographical distribution should not be considered. Vacancies should be filled within the context of staff consultation. FICSA urged the Commission to establish a course of action for the development of human resources planning, taking into account the conclusions and recommendations reached by the symposia.

238. The Convenor of CCISUA, in presenting his Committee's document, judged the symposia conducted by the Commission in 1983 and 1984 to have been successful. He wished to highlight a number of issues that required further attention, such as the need to adopt measures for movement across related occupational groups, inter-organizational planning and mechanisms to enhance mobility within duty stations, adequate procedures for the announcement of vacancies, a flexible system to assign staff to additional responsibilities, the creation of career development and placement units, adequate measures to provide mobility from the General Service to the Professional category, and a career planning system that would ultimately lead to a unified staff structure. In order to develop career paths that were not restricted to occupational groups, a substantial training element would be required, and therefore the concomitant resources should be made available.

Discussion and recommendations of the Commission

239. The Commission endorsed the following general principles and suggestions for action that had been developed by the organizations:

(a) Human resources planning as a basis for career development for General Service and related staff required a soundly integrated personnel management system
that responded equally well to the staffing requirements of the organizations and to the development potential of
the staff. It also required the commitment of top management and the co-operation of the staff;

(b) Career development for General Service and related staff should, in the main, be organized by
occupational groups. Wherever feasible, career paths should be established, both within and among occupational
groups in each organization at each duty station, in order to facilitate horizontal as well as vertical mobility. The
staff should be informed of such career paths to help them to identify movements that would broaden their
experience in the interest of the organization and in furtherance of their own career development;

(c) While the resources necessary to establish formal career development programmes might not be
available, each organization should take whatever action possible to assist in the career development of General
Service and related staff, in consultation with the representatives of other organizations with staff at the same
duty station. Such inter-organizational efforts were particularly important at duty stations where the numbers of
General Service and related staff were small. The establishment of simple profiles of the staff and an adequate
performance appraisal system, the exchange of vacancy notices, the practice of announcing all vacancies and of
recruiting at the lower grade levels, the limited utilization of personal promotions and the filling of higher-level
vacancies whenever feasible by promotion from within the organizations could assist towards staff development;

(d) Efforts in furtherance of the career development of staff in the General Service and related categories
should be undertaken in consultation with the representatives of the staff concerned.

240. The Commission further recommended to the organizations that they maintain a system of job design and
job classification based on job content, and establish effective training programmes, including on-the-job
training and job rotation, to facilitate movement between occupations, especially in smaller organizations
and in field duty stations where the opportunities for advancement were somewhat limited.

B. Recruitment policy

1. Special measures for the recruitment of women

241. The Commission considered the sixth study by its secretariat in its series of recruitment studies, concerning
special measures for the recruitment of women. An analysis of statistics obtained from the organizations
revealed that there seemed to be a barrier to the advancement of women beyond the P-4 level: in all posts at
the P-5 level and above combined there were 322 women and 6,195 men. In other words, only 4.6 per cent
of the staff at senior levels was female. Two thirds of the Professional women worked in occupations that
provided support services to the substantive programmes of the organizations; the vast majority of those
women came from only two regions of the world. Even with the most intensive efforts to further the careers
of those women now in the system, it was concluded that it would not be possible in the near future to
achieve a meaningful presence of women at senior levels without resorting to outside recruitment. The
statistics, moreover, made it clear that recruitment efforts for women had to be concentrated in areas related
to the mainstream substantive work of the organizations and at senior levels. The adoption by the
organizations of an overall recruitment target
for women of 50 per cent would require the recruitment of approximately 450 female Professional staff
annually for established posts. With a pool of over 150 Member States from which to recruit, that goal
seemed eminently attainable. The effectiveness and credibility of special recruitment measures were very
much related to the organizational climate and to the extent to which the organizations were seen to be
favourable to women's full integration into the management process. In order to demonstrate the
commitment of the organizations, the combined efforts of the entire system were needed.

Views of the organizations and staff representatives

242. The Chairman of CCAQ said that the organizations had found the two documents well-written, thought-
provoking and full of useful information. They contained recommendations on practical steps that could be
taken by organizations to increase the number and status of women working in them. He referred to the
timeliness of the item as the United Nations Decade for Women was coming to an end in 1985. The
organizations were conscious that the achievement of a more equitable representation of women was a long-
term process. CCAQ generally welcomed all the recommendations set out in the document. As some of the
recommendations were very general, their acceptability varied somewhat from organization to organization.
There was some disagreement among the organizations about the usefulness and desirability of targets for
the employment of women. While some organizations had set such targets and had been successful in
reaching them, others did not believe in their usefulness and had, accordingly, not set any. The experience
of the organizations was that women candidates were scarce for highly technical posts. In general, the lack
of women candidates for advertised posts was a very real problem faced by the organizations. Another
aspect of the question that caused some concern was the need to reconcile the recruitment of women with
equitable geographical distribution.

243. The General Secretary of FICSA stressed the need for organizations to redress the imbalance of men and
women in the Professional and higher categories. FICSA encouraged top management to increase
significantly the number of women in decision-making positions and fully supported the recommendations
to bring qualified women into the service of the organizations. The Federation recommended that targets be
re-established to arrive at an overall recruitment target for women of 50 per cent of all established
Professional posts by the year 2000. Promotion policy should also be re-examined in order to ensure an
equitable distribution of promotions among women and men at all levels. Each organization should establish
staff/management bodies to set goals and monitor progress and the organizations should report back to the
Commission at its twenty-fourth session.

244. The representative of CCISUA said that the question of the recruitment of women could not be seen in
isolation from their promotion to senior levels, which was artificially obstructed. She stressed the need to
establish effective monitoring mechanisms in each organization. CCISUA strongly urged that the question
of the status of women be a standing item on the Commission's agenda. The Commission should focus on
both internal promotion and recruitment with a view to establishing targets for the equal representation of
women at all levels in each organization of the common system.

Discussion and recommendations of the commission

245. The Commission considered that:
(a) While special recruitment measures were essential in effecting significant change in the status of Professional women in the organizations, the success of such measures was largely dependent on the extent to which the institutional and attitudinal climate of the organizations could also be transformed;

(b) The organizations should note the statistical data provided by the organizations, which indicated that there appeared to be a barrier to the advancement of women beyond the P-4 level; that two thirds of the Professional women worked in occupations that provided support services to the substantive programmes of the organizations; and that the vast majority of those women came from only two regions of the world;

(c) The organizations should take into account the priority that should be given to recruitment at senior levels, impress upon Governments their commitment to the principle of employing more women, especially for such high-level posts, and work closely with them to develop better recruitment sources for that purpose;

(d) The two major policy objectives of achieving a more equitable geographical distribution and of recruiting more Professional women were not incompatible, provided determined efforts were made to expand the recruitment sources to which the organizations had access;

(e) The organizations should be recommended to convene a meeting of the heads of recruitment to discuss common prospection procedures and strategies;

(f) The organizations should broaden their supply of women candidates from unrepresented and underrepresented Member States by actively exploring recruitment sources such as national women's bureau, alumnae of major universities, non-governmental organizations, national officers, former recipients of fellowships, associate experts and United Nations volunteers;

(g) The organizations should make every effort to expand their supply of women candidates for substantive posts in occupations not usually identified as fields of work for women by sending observers to meetings of professional associations, contacting universities, selecting women for short-term consultancies and requesting Governments to designate more women for technical working groups and advisory bodies;

(h) The need in particular to strengthen the presence of Professional women in technical co-operation programmes should be stressed, given, on the one hand, the direct impact of such programmes on women in development and, on the other, the very low percentage of women in project posts;

(i) The most obvious way of effecting behavioural change was through training and organizations should introduce sensitizing courses for all staff that would point out and validate gender differences along the lines of the self-assessment training module described in the secretariat's study;

(j) The organizations should avail themselves of the potential offered through in-service training and ensure that women's concerns were adequately reflected in such training programmes.

246. The Commission further recommended that all organizations that had not already done so should be requested to establish a body, comprised of representatives or
both staff and management, to set goals for the advancement of women staff, develop timetables, formulate action programmes and monitor progress. Such bodies should focus their efforts on each of the areas set out below to the extent they were applicable and the organizations should be requested to identify those managers who were to be held accountable for implementation:

(a) **Recruitment**

(i) Strengthening contacts with Member States, identification of recruitment sources, establishment of targets for short-lists, preparation of recruitment literature and fielding of dynamic recruitment missions with the participation of senior management;

(ii) Establishing quantitative, geographical and occupational targets for the recruitment of women at level P-5 and above, as well as targets for their promotion to those levels;

(iii) Establishing quantitative, geographical and occupational targets for the recruitment of women at levels P-1 to P-4;

(iv) Setting targets for the recruitment of women experts and consultants in technical co-operation programmes and development projects;

(v) Reviewing the internal processes whereby recruitment decisions were taken and recommendations finalized for consideration by appointment bodies.

(b) **Career development**

(i) Developing a statistical data base concerning staff distribution by level, gender, age, occupation, category, location, turnover, entry level, rates of advancement, years of service, time-in-grade, nationality, types of posts, etc.;

(ii) Developing a skills inventory of women in all categories;

(iii) Reviewing the promotion process, guidelines of promotion bodies, accelerated and ad hoc promotions, reclassifications, etc.;

(iv) Increasing participation of women in personnel advisory and administrative boards, such as selection and promotion bodies, appeals machinery, disciplinary committees, grievance panels, pension committees, classification boards, staff welfare panels;

(v) Ensuring full participation of women in training programmes; developing special training programmes on working relationships between men and women in the organization;

(vi) Increasing participation of women in inter-agency meetings, intergovernmental meetings and field missions.

(c) **Grievance systems and conditions of service**

(i) Establishing anti-discrimination and anti-harassment measures;

(ii) Facilitating the employment of spouses, both inside and outside the organization; planning joint assignments of married staff members;
(iii) Reviewing leave arrangements, such as flexible working hours, part-time work and adoption leave;

(iv) Supporting child-care facilities.

247. The Commission drew the attention of the organizations to the detailed considerations and background information contained in the addendum to document ICSC/22/R.14 and requested that they report to the Commission at its twenty-fourth session on progress made and measures taken with regard to the above recommendations.

2. Development of recruitment sources, including national recruitment services

248. The Commission considered a study on the development of recruitment sources, including national recruitment services (NRS). The study addressed the recruitment of staff for all programmes, with particular attention being paid to requirements for technical co-operation activities. The study reviewed several issues raised by the Governing Council of UNDP in its decision 82/7 for consideration by ICSC, such as forecasting, the circulation of job descriptions, the use of rosters, advertising, the use of recruitment missions and the strengthening of recruitment sources. The study further described the role of the existing NRS network and indicated some institutional arrangements that could be improved to facilitate the recruitment of special target groups. The Commission reviewed the relatively high turnover of project personnel and agreed that there was a need for special recruitment measures to ensure an adequate flow of candidates for technical co-operation positions.

Views of the organizations and staff representatives

249. The Chairman of CCAQ noted that while organizations paid attention to the question of nationality when recruiting, the primary concern continued to be delivery of the technical co-operation programmes. The document proposed that recruitment requirements be forecasted and advised to Member States. The organizations were prepared to do what they could in that respect, but insisted that fully-fledged forecasts were not normally possible. A similar comment could also be made in respect of the recommendation concerning recruitment missions for development of recruitment sources. While the involvement of field staff in the recruitment process could in theory enhance present efforts, in practice it could be questioned, since such persons were not normally experienced in recruitment matters and had other work-related priorities. The suggested use of reimbursable loans had been considered by the organizations, in particular in connection with the recruitment of national experts, and was an avenue that was being considered further. A final recommendation of the secretariat related to the use of retired persons in the field of technical co-operation; it was evident to CCAQ that retirees constituted a valuable source of experienced personnel, but that certain constraints existed to extensive use of such a pool of expertise.

250. The representative of FICSA wished to see more emphasis placed on efforts aimed at increased recruitment of women, since the high turnover in project posts allowed for a greater possibility of recruitment. FICSA felt that circulating vacancy announcements to all Member States could create undesirable delays. Regarding geographical distribution, FICSA believed that efforts were needed to encourage Member States to bring vacancies to the attention of NRS. FICSA was
concerned about the proposal to involve technical field staff actively in the recruitment process as they might not have the required expertise.

251. CCISUA urged that further study be undertaken on recruitment sources for women and disabled persons. Overemphasis on NRS might jeopardize the independence of the staff and the Commission should study the practice of secondment to the organizations. CCISUA felt that the use of retirees could be helpful, but double compensation should not be encouraged. In addition, better forecasting, updating of rosters and circulation of vacancies would be helpful.

Recommendations of the Commission

252. The Commission agreed:

(a) To note decision 82/7 of the UNDP Governing Council and to reaffirm the need for continuous efforts to establish and strengthen NRS;

(b) To request its Chairman to inform the Administrator of UNDP of its recommendations on this study with the request that they be brought to the attention of the UNDP Governing Council in response to decision 82/7;

(c) To emphasize the importance of appropriate recruitment measures for technical co-operation personnel;

(d) To request the organizations further to harmonize and co-ordinate their recruitment efforts in order to take into account the overlap in occupations for which they recruited, as well as the potential advantages of a common approach to Member States;

(e) To request the organizations to pay due regard to the development of recruitment sources for technical assistance personnel on as wide a geographical basis as possible;

(f) To request the organizations to provide forecasts of recruitment requirements to Member States, NRS and other recruitment sources and to circulate standard job descriptions or general functional descriptions of the type of expertise and skills that they wish to retain in their rosters whenever the preparation of detailed forecasts would be impractical;

(g) To request its secretariat to pay due attention to the application by the organizations of CCOG in its forthcoming study on the use of rosters;

(h) To stress the potential benefits of recruitment missions for the development of recruitment sources, especially in underrepresented or unrepresented countries, and to note that the effectiveness of such recruitment missions was closely linked to the preparatory work done by organizations, Member States and NRS;

(i) To recommend that the active participation of senior field staff in the recruitment process, including agency representatives and chief technical advisers, could enhance the organizations’ efforts to develop their recruitment networks and strengthen their rosters;

(j) To reiterate the need to provide adequate training in interviewing techniques to all staff directly involved in the selection process, both at headquarters and in the field;
(k) To request the organizations to make full use of those NRS that had already been established and keep them informed at all times of their programmes in the country concerned;

(l) To recommend that the organizations of the common system could benefit from the strengthening of NRS as a whole, since that would allow for a concentrated and consolidated recruitment effort targeted at specific sources linked to both occupational groups and special target groups, such as women;

(m) To request the governing bodies of the organizations to welcome the constructive proposals made by some Member States to provide the means for the establishment of training programmes for newly established NRS, and to request both the organizations and the interested Member States to pursue such proposals actively;

(n) To request the governing bodies of the organizations to recommend to Member States that have no special provisions to facilitate the secondment of their nationals to organizations of the common system that they consider special measures and appropriate legislation to that effect;

(o) To request the governing bodies of the organizations to recommend that those Member States that have not yet done so consider the conclusion of an agreement on the transfer of pension rights with UNJSPF, in order to enable their nationals to move freely between government service and service with common system organizations;

(p) To recommend that the organizations consider using reimbursable loan agreements for specific technical assignments of limited duration in the context of technical co-operation activities, in order to obtain access to candidates whose career commitments would otherwise preclude service with the common system organizations;

(q) To recommend that the organizations make full use of the UNV, the associate experts scheme and non-governmental organizations as ongoing sources to develop their rosters;

(r) To note the valuable contribution that retired persons from outside the common system could make to technical co-operation activities and to request the organizations to consider such candidates in fields of work where expertise is scarce.

3. Language proficiency testing

253. At its twentieth session the Commission had examined the value of language proficiency testing as a screening mechanism, the various standards applied by the organizations and the results obtained through testing. At its twenty-second session the Commission considered a document submitted by CCAQ in response to the Commission's request that the organizations consider a range of recommendations on testing, including the feasibility of an inter-agency proficiency examination, fuller application of the functional definitions of language proficiency in determining the recruitment standards for specific posts, examination of the language ability test of FAO to ascertain whether that test could be utilized by other organizations for recruitment purposes and a reappraisal of the objectives of the language proficiency examination in the light of the functional requirements of the organizations.
Views of the organizations and staff representatives

254. The Chairman of CCAQ pointed out that the language policies of the organizations differed in that the United Nations required understanding of the language while, for example, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and FAO required a working knowledge: such differences would be difficult to reconcile as they were based on decisions of the respective governing bodies. With respect to language testing for recruitment purposes, CCAQ considered that that could be accomplished through interviews, although tests could be used when necessary. CCAQ agreed that the functional definitions of language proficiency levels could be used with some further refinement of the existing definitions.

255. The President of FICSA expressed the view that the difficulties involved in standardizing language proficiency examinations would render such an attempt undesirable. FICSA, therefore, supported the position of CCAQ.

256. The Convenor of CCISUA noted the CCAQ document and suggested that the question be pursued further in the CCAQ Sub-Committee on Staff Training with a view to pointing the way to better co-ordination in this field, if not to common examinations.

Discussion and recommendations of the Commission

257. The Commission expressed the hope that those topics would be pursued further through the appropriate sub-organs of CCAQ. As to the feasibility of an inter-agency language proficiency examination for serving staff, the Commission concluded that the varying interpretations of language proficiency given by the governing bodies of the organizations, which ranged from understanding in a cultural sense to job-related language skills, did not allow for a fully common approach at the present time. The Commission decided, therefore, to request the organizations to co-ordinate and harmonize, to the extent possible, their language proficiency examinations for serving staff.

4. Use of competitive examinations

258. At its twenty-first session the Commission considered a document prepared by the United Nations in response to a number of questions raised by ICSC at its twentieth session concerning the United Nations experience with competitive examinations for both appointment and promotion of staff to the P-1 and P-2 levels. At its twenty-second session, the Commission considered a document prepared by CCAQ in response to the Commission's request to provide a full rationale for the initial position taken by CCAQ that such examinations (i.e. examinations considered as a recruitment tool) would not be feasible for the common system as a whole. The Chairman of CCAQ pointed out that all selections were the result of some competitive process. He noted that many organizations held competitive examinations for language staff. Among the reasons why examinations in many of the agencies were the exception rather than the rule were the following: the agencies' functions were specialized; staff suitable for their posts were very few in number, with highly technical skills and often considerable experience and seniority; and competitive examinations as a means of recruiting for junior-level posts could be disproportionately costly. The feasibility of producing an examination free from cultural bias was also raised.
Views of the organizations and staff representatives

259. The representative of the United Nations confirmed that competitive examinations had been most useful in achieving a more equitable geographical distribution by identifying qualified candidates from countries that were not well represented; moreover such examination, used in a national or regional context, had been shown to be free from cultural bias.

260. The President of FICSA took note of the document.

261. The Convenor of the CCISUA said that the advantages of such examinations were their objectivity, their freedom from bias on account of sex, the possibility of linking them to other personnel policies such as an open vacancy announcement system and the creation of rosters for long-term planning.

Discussion and recommendation of the Commission

262. At its twenty-first session the Commission had noted that the eligibility requirements for external candidates were more stringent than those for internal candidates, as external candidates were expected to hold a university degree in a field directly relevant to the occupation concerned, whereas internal candidates could sit for examinations in any occupation, irrespective of their work experience, and needed only minimal post-secondary educational qualifications. The Commission had also considered that the internal examination could be further strengthened by reintroducing a general paper, as required in the external examinations, to ensure that candidates promoted from within possessed the general culture and broad scope of interests in world affairs that would allow them to serve effectively over the duration of their careers in the international civil service. Moreover, the United Nations might consider the introduction of a structured interview, as required of external candidates, to assess internal candidates' motivation, personality and ability to work as a member of a team. The Commission observed that the practice of limiting external examinations to countries that were unrepresented or underrepresented put undue emphasis on competitive examinations as a tool to redress imbalances in geographical distribution. The main objective, in the words of the General Assembly (resolution 2736 A (XXV) of 17 December 1970), should be "to recruit qualified young men and women ... through the development of more objective selection methods". Moreover, by limiting the competitive examinations to a handful of Member States each year, all others, even those below the desirable range, were excluded from entry-level positions. One possible remedy could be to organize examinations on a regional basis. The Commission observed that the travel costs reported for the internal examinations in 1983 far exceeded those for the external examinations, although nine Member States had been covered in that year. The cost of travel of staff members for interviews appeared to be considerable. Should the external examinations be expanded on a regional basis, similar travel provisions might be required for external candidates. Finally, the Commission had noted the reluctance of organizations other than the United Nations to consider examinations as a recruitment tool and that such examinations would not be feasible for the common system as a whole.

Recommendation of the Commission

263. In its consideration of the question at the twenty-second session, the Commission was of the opinion that the positive experience of the United Nations with competitive examinations deserved more attention and that an extension of such a recruitment method to other organizations of the common system should certainly be considered. The Commission agreed to uphold the principle of competitive
examinations as a useful and objective tool for recruitment, especially for the junior levels. While recognizing the constraints imposed by the paucity of candidates in certain given fields and the small number of junior posts available, the Commission also agreed to recommend that organizations consider the use of competitive examinations as much as possible, and especially for promotion from the General Service category to the Professional category.

C. Training: assessment of training needs

264. The Commission considered a document prepared by the secretariat and a document prepared by CCAQ. The ICSC document was a progress report on activities undertaken in the area of training since the twentieth session. It referred specifically to a paper prepared by an inter-agency task force on training evaluation that had been established at the tenth session of the CCAQ Sub-Committee on Staff Training, and presented some considerations on the content of training evaluation. The CCAQ paper reported on the acceptance by the organizations of the needs assessment model developed by the ICSC secretariat and approved by the Commission at its twentieth session.

Views of the organizations and staff representatives

265. The Chairman of CCAQ referred to the close connection that must exist between the assessment of training needs and the subsequent evaluation of the effectiveness of training. The CCAQ Sub-Committee on Staff Training had started to consider a study on the evaluation of training at its recent session and CCAQ hoped to be in a position to finalize such a study in time for the Commission's twenty-fourth session.

266. The Vice-President of FICSA noted that training was an important element in human resources planning and on the assessment of training needs, was pleased that the staff of the organizations had been involved and hoped that staff would be equally involved in the question of training evaluation.

267. The Convenor of CCISUA endorsed the needs assessment model as an important step in realizing the integration of training in human resources planning. He referred to the need to devote financial resources to that area and suggested comparing common system resources allocated to training to those allocated by the comparator civil service. He spoke of the importance of viewing training not as a luxury, but as a necessity, both at the managerial level, where needs assessment was an important tool, and at the working level.

Discussion and recommendation of the Commission

268. The Commission noted with satisfaction the CCAQ paper reporting on its examination of the needs assessment model proposed by the Commission. The CCAQ findings endorsed the approach by the Commission: (a) advocating the direct involvement of top management at the policy level as well as of line managers, supervisors and staff representatives; and (b) stressing the importance of conducting needs assessment linked to overall organizational objectives and within the context of human resources planning. The Commission decided therefore to recommend that the model be adopted by all organizations as a general framework for determining training needs. The Commission expressed the hope that a corresponding training evaluation model could now be developed, based on the preliminary work already carried out at the inter-agency level. It therefore requested the CCAQ to submit detailed recommendations to the twenty-fourth session.
CHAPTER IX

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation/consideration of the Commission's recommendations and decisions

269. In accordance with article 17 of the Commission's statute the Commission includes information on the implementation of its decisions and recommendations in its annual reports. The Commission considered an analysis of replies by organizations to a 19-item questionnaire on the implementation of the Commission's recommendations and decisions in 1982 and 1983 and additional information on decisions and recommendations of the Commission implemented since 1983. A list of the questions and an annotated tabular summary of all replies from the organizations is found in annex VIII.

270. The first group of questions in its 19-item questionnaire (numbered 1 to 15) dealt with compensation issues of the common system considered by the Commission in accordance with articles 10 to 12 of its statute. All organizations had complied with the Commission's actions, although their interpretations had varied in some instances, e.g. in the payment of pre-departure expenses. The remaining questions (numbered 16 to 19) dealt with personnel policy matters considered under articles 14 and 15 of the Commission's statute. An analysis of the various replies to the questions on, inter alia, human resources planning, development of skills inventories, types of appointment and abolition of probationary appointments showed that, in those areas where the Commission had sent recommendations to the organizations, there had been less adherence to the positions taken by the Commission. While the larger organizations had generally reported on the development of human resources planning and skills inventories, the smaller organizations had regretted the lack of financial and human resources to implement the recommendations. Very little action had been taken by the organizations to co-ordinate their positions on types of appointment and the abolition of probationary appointments, which the Commission requested them to expedite.

271. The representative of IMO reported that the IMO Council had at its recent session decided to implement all recommendations of the Commission based on the results of the survey of best prevailing conditions of service of the General Service category in London.

272. The representative of the United Nations informed the Commission that classification of jobs in the General Service and related categories in New York was nearing completion; this major undertaking involved the classification of almost 3,000 jobs in the United Nations. He informed the Commission that a joint staff-management group, which had been established to review the classification determination made by the United Nations technical arm, was preparing its final reports on each separate occupation. Classification guidelines had been prepared for more than 50 occupations and for the evaluation of supervisory posts to assist the review group. The reports of the group would be approved after being reviewed for consistency with the standards approved by the Commission. Recalling the statement made to the Commission at the opening of the twenty-second session by the United Nations Under-Secretary-General for Administration and Management, he stated that the exercise would be completed by 1 September 1985. The statistical report expected at the twenty-second session would be presented at the twenty-third session of the Commission.
Also before the Commission was the text of a resolution by, the Administrative Council of the International Telecommunication Union (ITU) on conditions of service to which the Commission's attention had been drawn by the Secretary-General of ITU.

Views of the organizations and staff representatives

The Chairman of CCAQ stated that the organizations had taken note of the information in the document concerning the action taken by organizations to implement ICSC recommendations and decisions. He suggested that in future the secretariat make cross-references to the decisions and recommendations of the Commission in its questionnaires. CCAQ also proposed that a report of this kind be prepared every two years rather than annually.

The representative of FICSA acknowledged the usefulness of the Commission's regular reporting on implementation of its decisions and recommendations and indicated the Federation's wish to make further comments on the substance of the replies of the organizations after having had an opportunity to circulate the document to the staff represented by FICSA in the respective organizations.

The representative of the United Nations Staff Union, referring to the job classification issue, informed the Commission that the staff felt strongly that the work of the Classification Review Group that had just been completed should provide by 1 September 1985 the basis for implementation of the results in New York with effect from 1 January 1985, and that the work of the Group should not be further reviewed.

Discussion by the Commission

Some members felt that in view of the responsibilities of the Commission under article 17 of its statute, the Commission should review further monitoring of implementation by the organizations by other means than questionnaires, including attendance at meetings of the organizations' governing bodies.

One member considered that the secretariat should not have reported on implementation of the Commission's decisions at its twentieth session on post adjustments, in particular regarding the appeals of a number of staff members before the relevant administrative tribunals.

The Commission noted the information provided by the organizations on common system issues and the degree to which its recommendations and decisions had been implemented. It also noted the resolution adopted by the Administrative Council of ITU on conditions of service in the common system, which it is bringing to the attention of the General Assembly.

The Commission expressed satisfaction at the full implementation by the IMO Council of the Commission's recommendations based on its recent survey of conditions of service of the General Service category in London and commended the Secretary-General of IMO and the representatives of the IMO administration and staff for their co-operation in the survey.

The Commission noted with concern that the completion of the job grading exercise in the United Nations was delayed again, and welcomed assurances that it would indeed be completed not later than 1 September 1985. This matter had now become most urgent. UNDP and UNICEF had already completed their exercises and were now halted; moreover, the currency of the survey and job information upon which the
present salary scales and classifications were based might be called into question at some point. It further
considered that those delays might have a detrimental effect on the career development of staff, since the
proper framework for job design, training and promotions still had not been introduced. The Commission
did not question the effective date for implementation of 1 January 1985, which had been agreed upon by
the organizations, but while in terms of salaries the delays that had occurred could be redressed, the career
development benefits of sound job classification could not be applied retroactively. In that respect, years
had been lost.

Recommendations of the Commission

282. In order to ensure a positive result for the job classification and salary survey exercise in New York, the
Commission requested:

(a) All three organizations in New York actually to implement the results of the job classification exercise
and salary survey on 1 September 1985, and to provide to the Commission, through its Chairman, information as
to implementation progress and impact by 30 September 1985; if for any reason the United Nations was still not
able to implement this by 1 September 1985, UNICEF and UNDP should proceed with the introduction of the
new grading structure without waiting for the United Nations;

(b) The three organizations in New York to establish a joint committee in which staff and management
would be represented to review guidelines developed in each organization for interpretation of the standard, and
to present to the Commission at its twenty-third session common benchmarks as envisaged at the time the
standard was promulgated, along with an analysis of the results of the co-ordination among the three
organizations during implementation to ensure consistency of application of job classification standards;

(c) The United Nations to provide, in addition to statistics already requested from the three organizations, an
analysis by grade level, indicating how the classification of jobs in the different occupations according to the
interpretations developed by its classification review group related to the elements of the common standard,
including some illustrative examples.

Notes

2/ Appointed in 1984.
4/ Ibid., paras. 41-42.
5/ Ibid., paras. 52-53.
and Ibid., Thirty-seventh Session, Supplement No. 30 (A/37/30), paras. 65-85.
Notes (continued)

7/ These include special measures for (a) abrupt and substantive devaluations; (b) continuous and steady devaluations; and (c) high inflation.


9/ A concise description of the post adjustment system can be found in the Commission's sixth annual report (Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 30 (A/35/30), annex VI).


11/ Ibid.


15/ Ibid., Thirty-third Session, Supplement No. 30, (A/33/30), para. 221.


18/ ICSC/21/R.4
ANNEX I

Methodology used for calculating the margin based on net remuneration

1. The margin comparison is made on the basis of the net remuneration of officials of the two services having a dependent spouse but no children. Under United States tax codes a married couple without children filing a joint return is allowed a deduction for a dependent spouse. In the United Nations salary system for Professional and higher category staff the differentiation in salaries to account for marital status is made using separate rates of staff assessment. Differentiation to account for a dependent spouse is also made in the amounts of post adjustment granted per index point. The difference between the remuneration of a United Nations official with a dependent spouse and that of an official without a dependent spouse does not exactly correspond to the difference in the amounts of tax applicable to those with and without a dependent spouse under the United States tax code. The Commission, therefore, decided to base comparisons upon net remuneration as though there were a dependent spouse. These comparisons are made using the net remuneration at the headquarters of the two systems, i.e. Washington, D.C., for the United States federal 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.

2. The margin is expressed as the weighted average of the net remuneration ratios calculated at step I of several matching grades, averaged over a 12-month period from 1 October of each year to 30 September of the following year. Prior to 1978, salary comparability studies carried out by the comparator civil service were based on selected steps in grade. However, because of within-grade population shifts of its work-force, it decided in 1978 to discard the use of selected steps in favour of average remuneration per grade. This decision avoided the problem of continually having to determine the step at which the comparison was made. The Commission had opted to use step one in the margin comparison rather than selected steps because it recognized that steps in grade were related mostly to seniority rather than to difference in responsibilities. It had also concluded that, because of differences in the average entrance age and career path characteristics between the two services, certain assumptions - which could at best be arbitrary - would have to be made if the comparisons were to be made at selected steps in the grade. However, at that time, it felt that, even though there were certain assumptions implicit in the use of step I, its use would minimize those assumptions. A description of the methodology is provided below.

Place at which comparison is made

3. The 1971-1972 Special Committee had recommended that the base of the salary system should be in the same country used for the determination of the salary scale, i.e. the United States. Since 1974, New York continues to be the base for the United Nations salary system. The Commission in its second annual report to the General Assembly had concluded that the comparison between United States federal civil service remuneration and that of the United Nations system should be made between the headquarters of the two systems, that is, Washington, D.C., on the one hand and New York on the other, the difference in cost of living between the two cities (as shown by the United Nations post adjustment index) being taken into account.
Matching, grades used in the comparison

4. On the United States side, federal civil service grades GS-9 to GS-18 and SES grades 1 to 6 are represented in the comparison in the same relative proportion as determined by the 1978 Equivalency Study and various follow-up studies since then. The Commission, in recommending to the thirty-fourth session of the General Assembly the use of United Nations grade D-2 in the margin comparison, had informed the Assembly of its intention to take into account the effects of the introduction of the Senior Executive Service (SES) on the basis of the officially published salary rates for matching United States federal civil service grades. At the same time it had also informed the General Assembly that it would also include additional remuneration in the form of performance awards payable as part of the scheme.

5. The General Assembly, by its resolution 34/165 of 17 December 1979, section II, paragraph 1, had approved the grading equivalencies from P-1 to D-2 as recommended by the Commission for the purposes of making salary comparisons between the two services. The current matching grades were established with the active co-operation of the Departments of State and the Office of Personnel Management of the United States Government.

Remuneration

(a) United States

6. Gross salaries used for the actual payment to those in the General Schedule and related statutory pay schedules are used for margin comparisons. For the United States federal civil service grades GS-9 to GS-18, the General Schedule is used, while for the SES grades, their individual rates of pay are used. There is, however, a ceiling on the rates of basic pay that are payable to employees under the General Schedule which limits the rates in the General Schedule to the rate payable for level V of the Executive Schedule. This limit is adhered to when the comparisons are made. There is no such ceiling on the pay rates for SES grades. However, SES level IV is linked to the same level V of the Executive Schedule.

(b) United Nations

7. Base salary plus post adjustment at the dependency rate are used on the United Nations side. Post adjustment is included because it is an integral part of the United Nations basic remuneration system.

Grade step for comparison

8. Traditionally, both United States federal civil service and United Nations salaries are compared at the first step of the relevant matching grades.

Reference period for margin comparison

9. The 12-month period 1 October to 30 September serves as the reference period over which the remunerations of both services are averaged in order to avoid temporary fluctuations of the levels of remuneration that would result from the differences in the methods by which the remuneration of the two systems are adjusted. It was in recognition of the possibilities of such fluctuations and consequent distortions in the margins and also in order to obtain a truer picture of the margin that the Commission decided that the margin should be expressed as
the average of ratios over a 12-month period; 3/ this method smoothed out the effects of temporary fluctuations, the "snapshot" presentation at a given point in time.

10. United States federal civil service salaries have traditionally been adjusted each year effective 1 October. However, beginning 1 October 1983 adjustments to the General Schedule and related statutory pay schedules have been delayed by three months and made effective 1 January of each year. For the United Nations system in New York, increases in post adjustment may become applicable at any time and as such, depending on the particular point in time selected to make the comparison, distortion in either direction could result. As stated earlier, this problem is avoided by using a 12-month averaging period.

Taxation

11. The 1971-1972 Special Committee for the Review of the United Nations Salary System had concluded that the margin comparison should be made on the basis of net (after tax) remuneration in order to avoid serious distortions that would arise from the use of gross salaries, since the rates of staff assessment levied on United Nations gross salaries to obtain the net are different from those of income tax as paid by the United States federal civil service employees, which determine their net salaries. This approach was endorsed by the Commission in its second annual report to the General Assembly. 4/ On the United Nations side, net base salaries after the application of staff assessment rates at the dependency rates and the amounts of post adjustment, which are net of staff assessment, also at the dependency rates, are used. United States gross salaries are netted down after the Seduction of federal and state taxes, as appropriate, using the procedure outlined above.

(a) Federal taxes

12. Federal income tax calculations are made on the basis of tax rate schedules and other income tax statistics published by the United States Internal Revenue Service (IRS) for a married couple filing jointly, with no children. Both standard (zero bracket amounts) and itemized deductions are used to determine the taxable income and consequently federal and state tax liabilities (averaged for Washington, D.C., Virginia and Maryland) of the United States federal civil service employees in Washington, D.C. An average deduction amount is calculated by averaging average itemized deductions and standard deductions (zero bracket amounts) weighted by the number of returns for each type of deduction. The percentage relationship of the average deduction amount to average adjusted gross income (excluding non-salary gross income items, such as business income, partnership income, pension income, etc.) is then determined and applied to gross salary to determine the amounts to be allowed as deductions. Exemptions for staff member and spouse are further deducted to arrive at the amount of taxable income. Following application of the appropriate rates provided in the Tax Rate Schedules for married taxpayers filing jointly, the federal tax liability is determined.

13. In the past, the Commission has had to rely on published IRS statistics on income, numbers of returns and amounts of itemized and standard deductions and other pertinent data for netting down United States federal civil service salaries. However, the required level of detail at which the data are presented at the national level with regard to classifications by adjusted gross income brackets were not available at the state level for Virginia, Maryland and the District of Columbia. Furthermore, the data on adjusted gross income related to the entire
United States population and included certain types of income that are not relevant to the comparison of United States federal civil service and United Nations salaries.

14. The published IRS data are of a general nature; non-published official IRS tax data are obtainable upon request from IRS. Their use in calculating the margin overcomes the difficulties mentioned above and facilitates a more precise comparison. The Commission, therefore, made the necessary arrangements and received official IRS statistics on wages, salaries and tax data for Washington, D.C., Maryland and Virginia. These data have been used in the present margin calculations.

(b) State taxes

15. The State income tax calculations are made according to the tax provisions of the tax jurisdiction concerned, i.e. the District of Columbia, and the States of Maryland and Virginia. Using the appropriate tax rate schedules, taxes are computed on taxable incomes which, are defined as gross income less state exemptions and deductions. The state deductions are based on those used for the federal income tax calculations less state taxes.

Comparison of net remuneration

16. Following the application of allowed exemptions and deductions to gross salaries to determine taxable incomes which are subsequently converted to net incomes on the basis of the procedures described above for determining federal and state tax liabilities, a comparison of the resulting net salaries is made against those of the United Nations. The comparison of the net remuneration of the two services is expressed as a ratio adjusted by the cost-of-living differential. A one-to-one correspondence between United States federal civil service grades and those of the United Nations exists only at the lowest matching grades in the comparison, i.e. GS-9/1 and P-1/1. At all other levels included in the comparison, a weighted average of the net salaries of the several grades matched against a United Nations grade is calculated prior to obtaining the ratio. The number of United States federal civil service employees in the relevant grades are used as weights in the averaging process. In the final aggregation of all ratios to produce the margin statistic, a weighted average of the ratios is computed. The weights used at this final stage of the comparison correspond to the United Nations common system staff in grades P-1 to D-2 serving at Headquarters and established offices.

New York/Washington, D.C., cost-of-living relationship

17. In calculating the margin an adjustment is made for the difference in the cost of living between New York and Washington, D.C. on the basis of the respective post adjustment indexes; these are updated between surveys by the appropriate consumer price indexes (CPIs) published by the United States Bureau of Labor Statistics.
Notes


2/ Ibid., para. 167.

3/ Ibid.

4/ Ibid., para. 154.

5/ Ibid., para. 167.
### ANNEX II

Comparison of net remuneration of United Nations officials in New York and United States officials in Washington, D.C., at step 1 of each grade (October 1984-September 1985)

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<td>SES-4 53,359 50</td>
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<td>SES-5 54,479 29</td>
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<td>SES-6 55,645 5</td>
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Weighted average ratio, adjusted for cost-of-living: 121.3 (Margin)

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*Includes post adjustment of 3 months at class 11 (multiplier 71); 9 months at post-consolidation class 7/ +2 (multiplier 43).

* Based on published salary rates effective 1 January 1984 and 1 January 1985 (including bonuses and special awards where applicable).

* These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving established offices as at 31 December 1983.

* Limited to the ceiling on the rates of basic pay under the General Schedule.
### ANNEX III

Comparison of net remuneration of United Nations officials in New York and United States officials in Washington, D.C., at top step of each grade
(October 1984-September 1985)

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<td>SES 6 55,645</td>
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</table>

**Cost-of-living ratio New York/Washington, D.C.:** 105.2

**Weighted average ratio, adjusted for cost-of-living:** 123.0 (Margin)

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$/$ Includes post adjustment of 3 months at class 11 (multiplier 71); 9 months at post-consolidation class 7/+2 (multiplier 43)

$/$ Based on published salary rates effective 1 January 1984 and 1 January 1985 (including bonuses and special awards where applicable).

$/$ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, sere established offices as at 31 December 1983.

$/$ Limited to the ceiling on the rates of basic pay under the General Schedule

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ANNEX IV

Comparison of net remuneration of United Nations officials in New York and United States officials in Washington, D.C., after
five years in grade
(October 1984-September 1985)

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<td>SES-4</td>
<td>53,359</td>
<td>0</td>
<td>52,707</td>
<td>116.1</td>
<td>7.8</td>
</tr>
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<td>D-2/III</td>
<td>69,723</td>
<td>SES-5</td>
<td>54,479</td>
<td>6</td>
<td>53,628</td>
<td>123.6</td>
<td>2.0</td>
</tr>
</tbody>
</table>

weighted average ratio, adjusted for cost-of-living: 123.2 (margin)

a/ Includes post adjustment of 3 months at class 11 (multiplier 71); 9 months at post-consolidation class 7/ +2 (multiplier 43)
b/ Based on published salary rates effective 1 January 1984 and 1 January 1985 (including bonuses and special awards where applicable).
c/ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, sere established offices as at 31 December 1983.
d/ Limited to the ceiling on the rates of basic pay under the General Schedule.
ANNEX V

Comparison of net remuneration of United Nations officials in New York and United States officials in Washington, D.C., on the basis of average remuneration at each grade (October 1984-September 1985)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades</td>
<td>Net remuneration $^a/$</td>
<td>Grade</td>
<td>Net remuneration per grade $^b/$</td>
</tr>
<tr>
<td>P-1</td>
<td>25 030</td>
<td>GS-9</td>
<td>21 039</td>
</tr>
<tr>
<td>P-2</td>
<td>34 169</td>
<td>GS-11</td>
<td>25 124</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GS-12</td>
<td>30 273</td>
</tr>
<tr>
<td>P-3</td>
<td>41 729</td>
<td>GS-12</td>
<td>30 273</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GS-13</td>
<td>35 640</td>
</tr>
<tr>
<td>P-4</td>
<td>49 729</td>
<td>GS-13</td>
<td>35 640</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GS-14</td>
<td>41 776</td>
</tr>
<tr>
<td>P-5</td>
<td>58 080</td>
<td>GS-15</td>
<td>47 593</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-2</td>
<td>49 907</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-4</td>
<td>53 359</td>
</tr>
<tr>
<td>D-1</td>
<td>63 913</td>
<td>GS-16</td>
<td>52 165</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-1</td>
<td>40 318</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-4</td>
<td>53 359</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-5</td>
<td>54 479</td>
</tr>
<tr>
<td>D-2</td>
<td>68 651</td>
<td>GS-17</td>
<td>52 083</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GS-18</td>
<td>52 366</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SES-4</td>
<td>53 259</td>
</tr>
<tr>
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<td></td>
<td>SES-5</td>
<td>54 479</td>
</tr>
<tr>
<td></td>
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<td>SES-6</td>
<td>55 645</td>
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</table>

Weighted average ratio, adjusted for cost-of-living: 118.1 (margin)

$^a/$ Includes post adjustment of 3 months at class 11 (multiplier 71); 9 months at post-consolidation class 7/ +2 (multiplier 43)

$^b/$ Based on published salary rates effective 1 January 1984 and 1 January 1985 (including bonuses and special awards where applicable).

$^c/$ These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving established offices as at 31 December 1983.

$^d/$ Limited to the ceiling on the rates of basic pay under the General Schedule.
## ANNEX VI
Salary scales recommended by the International Civil Service Commission for staff at Geneva

### Table A
Recommended General Service salary scale as at 1 April 1985
(In Swiss francs)

<table>
<thead>
<tr>
<th>Grades</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>34 453</td>
<td>35 590</td>
<td>36 727</td>
<td>37 864</td>
<td>39 001</td>
<td>40 138</td>
<td>41 275</td>
<td>42 412</td>
<td>43 549</td>
<td>44 686</td>
<td>45 823</td>
</tr>
<tr>
<td>2</td>
<td>37 553</td>
<td>38 792</td>
<td>40 031</td>
<td>41 270</td>
<td>42 509</td>
<td>43 748</td>
<td>44 987</td>
<td>46 226</td>
<td>47 465</td>
<td>48 704</td>
<td>49 943</td>
</tr>
<tr>
<td>3</td>
<td>40 933</td>
<td>42 284</td>
<td>43 635</td>
<td>44 986</td>
<td>46 337</td>
<td>47 688</td>
<td>49 039</td>
<td>50 390</td>
<td>51 741</td>
<td>53 092</td>
<td>54 443</td>
</tr>
<tr>
<td>4</td>
<td>44 617</td>
<td>46 089</td>
<td>47 561</td>
<td>49 033</td>
<td>50 505</td>
<td>51 977</td>
<td>53 449</td>
<td>54 921</td>
<td>56 393</td>
<td>57 865</td>
<td>59 337</td>
</tr>
<tr>
<td>5</td>
<td>48 856</td>
<td>50 468</td>
<td>52 080</td>
<td>53 692</td>
<td>55 304</td>
<td>56 916</td>
<td>58 528</td>
<td>60 140</td>
<td>61 752</td>
<td>63 364</td>
<td>64 976</td>
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<td>6</td>
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<td>57 027</td>
<td>58 792</td>
<td>60 557</td>
<td>62 322</td>
<td>64 087</td>
<td>65 852</td>
<td>67 617</td>
<td>69 382</td>
<td>71 147</td>
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<td>7</td>
<td>58 579</td>
<td>60 512</td>
<td>62 445</td>
<td>64 378</td>
<td>66 311</td>
<td>68 244</td>
<td>70 177</td>
<td>72 110</td>
<td>74 043</td>
<td>75 976</td>
<td>77 909</td>
</tr>
</tbody>
</table>

### Table B
Recommended salary scale for full-time language teachers as at 1 June 1985
(In Swiss francs)

<table>
<thead>
<tr>
<th>Steps</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>52 140</td>
<td>53 580</td>
<td>55 020</td>
<td>56 460</td>
<td>57 900</td>
<td>59 340</td>
<td>60 780</td>
<td>62 220</td>
<td>63 660</td>
<td>65 100</td>
<td>66 540</td>
</tr>
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</table>
ANNEX VII

Salary scale recommended by the International Civil Service Commission for the General Service category in London a/
(In pounds sterling)

<table>
<thead>
<tr>
<th>Grade</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>4 749</td>
<td>4 932</td>
<td>5 115</td>
<td>5 298</td>
<td>5 481</td>
<td>5 664</td>
<td>5 847</td>
<td>6 030</td>
<td>6 213</td>
<td>6 396</td>
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<td>5 114</td>
<td>5 319</td>
<td>5 524</td>
<td>5 729</td>
<td>5 934</td>
<td>6 139</td>
<td>6 344</td>
<td>6 549</td>
<td>6 754</td>
<td>6 959</td>
<td>7 164</td>
</tr>
<tr>
<td>3</td>
<td>5 720</td>
<td>6 007</td>
<td>6 108</td>
<td>6 215</td>
<td>6 344</td>
<td>6 563</td>
<td>7 102</td>
<td>7 331</td>
<td>7 560</td>
<td>7 899</td>
<td>8 138</td>
</tr>
<tr>
<td>4</td>
<td>6 415</td>
<td>6 707</td>
<td>6 929</td>
<td>7 186</td>
<td>7 443</td>
<td>7 700</td>
<td>7 957</td>
<td>8 214</td>
<td>8 471</td>
<td>8 728</td>
<td>8 985</td>
</tr>
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<td>5</td>
<td>7 185</td>
<td>7 472</td>
<td>7 759</td>
<td>8 046</td>
<td>8 333</td>
<td>8 620</td>
<td>8 907</td>
<td>9 204</td>
<td>9 481</td>
<td>9 768</td>
<td>10 055</td>
</tr>
<tr>
<td>6</td>
<td>8 047</td>
<td>8 369</td>
<td>8 691</td>
<td>9 013</td>
<td>9 335</td>
<td>9 657</td>
<td>9 979</td>
<td>10 301</td>
<td>10 623</td>
<td>10 945</td>
<td>11 267</td>
</tr>
<tr>
<td>7</td>
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<td>9 374</td>
<td>9 735</td>
<td>10 096</td>
<td>10 457</td>
<td>10 818</td>
<td>11 179</td>
<td>11 540</td>
<td>11 901</td>
<td>12 262</td>
<td>12 623</td>
</tr>
<tr>
<td>8</td>
<td>10 094</td>
<td>10 498</td>
<td>10 902</td>
<td>11 306</td>
<td>11 710</td>
<td>12 114</td>
<td>12 518</td>
<td>12 922</td>
<td>13 326</td>
<td>13 730</td>
<td>14 134</td>
</tr>
</tbody>
</table>

a/ As at 1 September 1984
ANNEX VIII

Questionnaire sent to the organizations of the common system concerning the implementation/consideration by organizations of ICSC recommendations and decisions

(For ease of reference, after each question, the number of the Commission's annual report and paragraph reference is given.)

1. Application of the education grant to returning nationals (A/37/30, para. 198).
2. Increased levels of the children's allowance for the Professional and higher categories (A/37/30, para. 213).
4. Increase in installation grant lump sum (A/37/30, para. 242).
5. Increase in assignment allowance (A/37/30, para. 242).
6. Modifications to the rental subsidy scheme for field duty stations including non-payment of the installation allowance concurrently with the rental subsidy, (ICSC/15/R.26 paras. 77-84).
8. Increased level of the education grant and abolition of regressive payment (A/38/30, para. 83).
10. Extended rental subsidy scheme for headquarters (Professional) and higher categories (A/38/30, para. 44).
11. Creation of a non-pensionable, non-resident's allowance for internationally recruited staff in the General Service category, (A/38/30, paras. 59-60 and 63-64).
14. Reimbursement of basic medical examinations for family members at certain field duty stations (A/38/30, para. 123).
15. Reimbursement of pre-departure expenses for field duty stations (A/38/30, para. 124).


19. Abolition of probationary appointments (A/38/30, para. 147).
### TABULATED SUMMARY OF REPLIES TO THE QUESTIONNAIRE

<table>
<thead>
<tr>
<th>Number and précis of question</th>
<th>Organisation and reply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Education grant to returning nationals</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>2. Children's allowance for professional and higher categories</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>3. Basis for calculation of the children's allowance for GS</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>4. Increase in installation grant lump sum</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>5. Increase in assignment allowance</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>6. Modification to rental annuity for field including non-payment of installation allowance</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>7. Basis for change of spouse allowance for GS and related categories</strong></td>
<td>No</td>
</tr>
<tr>
<td>Number and precis of question</td>
<td>UNEP</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>8. Increased education grant and abolition of regressive payment</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>9/1/84</td>
</tr>
<tr>
<td>9. Cost-sharing of health insurance</td>
<td>Yes</td>
</tr>
<tr>
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<td>1/1/84</td>
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<td>10. Extended rental subsidy for headquarter professional and higher categories</td>
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</tr>
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<td>1/3/83</td>
</tr>
<tr>
<td>11. Non-pensionable non-resident's allowance for intiely recruited GS</td>
<td>Yes</td>
</tr>
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<td>1/9/83</td>
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<tr>
<td>12. Dental subsidy for intiely recruited GS</td>
<td>Yes</td>
</tr>
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<td>1/9/83</td>
</tr>
<tr>
<td>13. Basis for calculation of the secondary dependant's allowance</td>
<td>No</td>
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<td>1/1/83</td>
</tr>
<tr>
<td>Number and précis of question</td>
<td>Organization and reply</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>14. Reimbursement of basic medical examination for field staff</td>
<td>Yes</td>
</tr>
<tr>
<td>15. Reimbursement of pre-departure expenses for field staff</td>
<td>Yes</td>
</tr>
<tr>
<td>16. Introduction of integrated personnel and human resources planning</td>
<td>Yes</td>
</tr>
<tr>
<td>17. Development of skills inventory</td>
<td>Yes</td>
</tr>
<tr>
<td>18. Simplification of types of appointment</td>
<td>Under consideration now</td>
</tr>
<tr>
<td>19. Abolition of non-contractual appointments</td>
<td>No decision yet</td>
</tr>
</tbody>
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ANNEX IX

Resolution of the ITU Administrative Council

R No. 937 CONDITIONS OF SERVICE IN THE COMMON SYSTEM

The Administrative Council,

Having heard the statement by the Chairman of the Staff Council to Committee 2;

Having noted the decisions adopted by ICSC at its July 1984 session to increase the New York post adjustment;

Noting that the United Nations General Assembly in its resolution 39/27 of 30 November 1984 then requested ICSC to suspend application of the second stage of the adjustment, with the result that the Geneva post adjustment was frozen with effect from 1 April 1985;

Noting also that the General Assembly decided to apply, with effect from 1 January 1985, a new reduced scale of pensionable remuneration, without adopting the transitional measures proposed by ICSC in order to safeguard staff members' acquired rights or accepting the method of adjusting that remuneration also proposed by ICSC;

Noting further that the decisions of the General Assembly entail a systematic deterioration of salaries and pensions;

Having learned that serving and retired staff members have appealed against the above-mentioned decisions before the competent tribunals of the common system;

Aware of the negative effects which this staff policy and the uncertainty thereby produced have had for the Union's staff members and hence also for the achievement of its objectives;

Anxious to promote a stable and equitable staff policy and recalling that ICSC and the Joint Staff Pension Board are the responsible common system bodies which were established for this purpose;

Instructs the Secretary-General:

1. To ensure that the Union's interests are not jeopardized by the current staff policy resulting from the decisions of the United Nations General Assembly;

2. To continue to take action in the competent bodies with a view to ensuring the smooth functioning of the machinery governing the international civil service.