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.

The present volume contains discussion of items considered by the International Civil Service Commission in 1989, at its second special, twenty-ninth and thirtieth sessions, and traditionally reported on to the General Assembly, with the exception of the comprehensive review of the conditions of service of the Professional and higher categories, which is covered in volume II.
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ABBREVIATIONS

ACC   Advisory Committee on Co-ordination
ACPAQ Advisory Committee on Committee on Post Adjustment Questions
CCAQ Consultative Committee on Administrative Questions
CCISUA Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System
FICSA Federation of International Civil Servants’ Associations
IAEA International Atomic Energy Agency
ICSC International Civil Service Commission
IRS United States Internal Revenue Service
UNESCO United Nations Educational, Scientific and Cultural Organization
UNJSPB United Nations Joint Staff Pension Board
UNJSPF United Nations Joint Staff Pension Fund
WIPO World Intellectual Property Organization
LETTER OF TRANSMITTAL

15 September 1989

Sir,

I have the honour to transmit herewith the fifteenth 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

His Excellency
Mr. Javier Pérez de Cuéllar
Secretary-General of the United Nations
New York
A. Financial implications of the Commission's recommendations to the General Assembly

(a) Pensionable remuneration for the Professional and higher categories

A one-time saving estimated at $5,000,000 would result from the Commission's recommendation that the next adjustment to the pensionable remuneration for the Professional and higher categories be reduced by 2.8 percent. Savings estimated at $1,800,000 per annum would also result from the Commission's recommendation concerning the revised procedure for adjusting pensionable remuneration in future for the above categories of staff.

(b) Comprehensive review of the conditions of service of the Professional and higher categories

The financial implications arising from the Commission's decisions and recommendations concerning various aspects of conditions of service of the Professional and higher categories of staff will be found in chapter II of volume II of the present report.

B. Financial implications of the Commission's recommendations to the executive heads of the organizations of the United Nations common system

Survey of best prevailing conditions of service for the General Service category in Paris

The financial implications of the Commission's recommendation to the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) were estimated at $3.46 million per annum.
CHAPTER I
ORGANIZATIONAL MATTERS

A. Acceptance of the statute

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

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

2. To date 12 organizations have accepted the statute of the Commission, which, together with the United Nations itself, participated in the United Nations common system of salaries and allowances. 1/ Two other organizations, although not having formally accepted the statute, have participated fully in the Commission's work. 2/

B. Membership

3. The General Assembly, at its forty-third session, appointed one new member and reappointed four former members of the Commission to terms of office commencing 1 January 1989 (decision 43/323 of 9 December 1988).

4. In August 1989, Mr. Karel Houska (Czechoslovakia) submitted his resignation from the Commission, which, in accordance with article. 5 of the Commission's statute, would take effect in December 1989.

5. The membership of the Commission for 1989 is as follows:

Mr. Richard M. Akwei (Ghana),** Chairman
Mr. Amjad Ali (Pakistan)***
Mr. Michel Jean Bardoux (France)*
Mrs. Claudia Cooley (United States of America)* Mrs. Turkia Daddah (Mauritania)**
Mrs. Francesca Yetunde Emanuel (Nigeria)*** Mr. Karel Houska (Czechoslovakia)**
Mr. Antonio Fonseca Pimentel (Brazil)*
Mr. Andre Xavier Pirson (Belgium)**
Mr. Omar Sirry (Egypt)***
Mr. Alexis Stephanou (Greece)*
Mr. Ku Tashiro (Japan)*
Mr. Vladislav Petrovich Terekhov (Union of Soviet Socialist Republics)***
Mr. Carlos S. Vegega (Argentina)** Vice-Chairman
Mr. M. A. Vellodi (India)***

* Term of office expires on 31 December 1989.
** Term of office expires on 31 December 1990.
*** Term of office expires on 31 December 1991.
C. **Sessions held by the Commission and questions examined**

6. The Commission held three sessions in 1989: the second special, twenty-ninth and thirtieth. The second special and thirtieth sessions, which took place from 16 to 19 January 1989 and 31 July to 25 August 1989, respectively, were held at United Nations Headquarters in New York, The twenty-ninth session was held at the headquarters of the International Atomic Energy Agency (IAEA) at Vienna from 6 to 23 March 1989.

7. At its second special, twenty-ninth and thirtieth sessions, the Commission 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. **Subsidiary body**

8. The Advisory Committee on Post Adjustment Questions (ACPAQ), established by the Commission in 1976, held its fourteenth session at United Nations Headquarters in New York from 31 May to 6 June 1989. It consisted of the following members: Mr. Carlos S. Vegega (Argentina), Vice-Chairman of the Commission and Chairman of the Committee; Mr. Jeremiah P. Bands (Zambia); Mr. Yuri Ivanov (Union of Soviet Socialist-Republics) Mr. Isaac Kerstenetzky (Brazil); Mr. Yuki Miura (Japan); and Mr. Hugues Picard (France).
CHAPTER II

ACTION TAKEN IN RELATION TO RESOLUTIONS AND DECISIONS OF THE GENERAL ASSEMBLY AT ITS FORTY-THIRD SESSION

9. The Commission took action in relation to resolutions and decisions adopted by the General Assembly at its forty-third session, as reported below, in respect of the following matters.

10. In its resolution 43/226 of 21 December 1988, entitled "United Nations common system: report of the International Civil Service Commission", the General Assembly had requested the Commission to pursue the comprehensive review of the conditions of service of the Professional and higher categories, reporting specifically on four main areas (a) the compactor; (b) the remuneration system; (c) motivation and productivity; and (d) mobility and hardship.

11. The Commission decided to proceed with the comprehensive review along the lines proposed by the Assembly.

12. The Commission took note of the following decisions and resolutions:

(a) Decision 43/323, concerning the appointment of five members of the Commission;

(b) Resolution 43/227 of 21 December 1988, entitled "United Nations pension system

(c) Decision 43/452, concerning administrative and budgetary co-ordination (feasibility of establishing a single administrative tribunal);

(d) Resolution 43/225 of 21 December 1988, entitled "Respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations";

(e) Resolution 43/224 B of 21 December 1988, entitled "Administration of justice in the Secretariat";

(f) Resolution 43/224,C of 21 December 1988, entitled "Improvement of the status of women in the Secretariat

A. Functioning of the International Civil Service Commission and relations between the Commission and the staff representatives

13. At its thirtieth session, the Commission considered the format of its fifteenth annual report on the basis of a note prepared by its secretariat. Experience with the, revised format of the annual report at the forty-third session of the General Assembly had not been entirely positive in that the report had been found unwieldy, requiring frequent cross-referencing.
Views of the organizations and the staff representatives

14. The Consultative Committee on Administrative Questions (CCAQ) considered that the format and presentation of the Commission's report on the comprehensive review were of the utmost importance. CCAQ would have preferred that that report be presented separately from the normal report as a printed text divided into chapters along the lines of those coming from the Working Group, and carefully prepared to ensure its completeness, clarity and readability and, above all, to ensure that the interrelationship between the different elements was clearly established. With regard to format, which CCAQ considered equally important, it drew attention to two recent documents, one describing the United Nations pension system and the other a World Bank document describing the Bank's new remuneration structure: they could be useful for reference purposes. As to the standard ICSC report, CCAQ recalled its previous position that (a) the report should be significantly shortened; (b) the views of the organizations and of the staff should be preserved not in the annual report but in the sessional reports, which would thus assume more the form of summary records; (c) the discussion section of the annual report should reflect in a more dynamic way the exchange of views between the three parties concerned in the Commission's deliberations, which would allow the reader to obtain a clearer understanding of how the Commission's decisions had been reached; and (d) the text should be very carefully edited to reduce repetition, and ensure a crisper presentation.

15. The Federation of International Civil Servants' Associations (FICSA) and the Co-ordinating Committee for Independent Staff Unions and Associations (CCISUA) associated themselves with the views of CCAQ with regard to the part of the report related to the comprehensive review.

Discussion by the Commission

16. The Commission discussed the merits of the various reporting systems proposed by its secretariat and agreed that the report presented to the General Assembly at its forty-third session might indeed have created some problems with respect to ease of reference. It agreed that, the present annual report of the Commission would consist of two volumes; volume I would deal with all matters considered by the Commission for the three sessions held in 1989 with the exception of the comprehensive review, while volume II would cover the Commission's consideration of the comprehensive review, with cross-references between the two volumes, as appropriate. The suggestions of CCAQ with respect to presentation would be take into account The Commission did not wish, however, to have the comments of CCAQ "woven" into its discussion as proposed by CCAQ. The Commission considered that the ICSC report provided a place for CCAQ as well as the staff representatives to express their views, which should be summarized. Caution was again expressed as to the balance that should be maintained between the length of the views of the organizations and the staff representatives and those of the Commission, as it had to be borne in mind that the document being prepared was the report of the Commission itself.

Decisions of the Commission

17. The Commission decided that it would submit its annual report to the General Assembly in two volumes, as follows: volume I would cover all items considered by the Commission at its second special, twenty-ninth and thirtieth sessions and on which the Commission traditionally reported to the General Assembly. However,
volume I would not contain the Commission's consideration of the comprehensive review, which would instead be reported in detail in volume II of its annual report. Cross-references between the two volumes would be provided as appropriate. In volume II, the various aspects of the conditions of service of the Professional and higher categories of staff as they related to the comprehensive review would be divided into separate chapters. In that volume, where possible and appropriate, subject-matters would be divided along the following lines: (a) existing situation or background, (b) proposed change(s), if any, and reason(s) therefor; (c) effect(s) of proposed change(s); (d) recommendation(s); and (e) financial implications.

B. Relations between the Commission and the staff representatives

18. At its second special and twenty-ninth sessions, during extensive informal consultations, which were open to representatives of organizations and staff, the Commission considered the matter of relations between the Commission and the staff representatives.

Views of the organizations and the staff representatives

19. The Chairman of CCAQ considered it vital that the staff resume participation in ICSC activities as soon as possible, in particular in view of the need for their full participation in the comprehensive review. The Commission's working methods could be further improved so as to provide for a fuller and more open dialogue with its interlocutors. CCAQ would not press for the elimination of executive sessions as such, although they should be kept to a minimum and confined to taking decisions on issues that had already been fully aired in open session. The comprehensive review was a special event requiring the fullest participation of organizations and staff representatives in all aspects and at all stages as had been recognized by the General Assembly in resolution 43/226. CCAQ therefore found it wholly appropriate that the discussion, up to and including the decision-making on the subject, should take place entirely in open session. The conclusions of the Preparatory Working Group on the comprehensive review, which had met in February 1989, had been reached by consensus, a goal that the Working Group on the comprehensive review could also envisage, although CCAQ did not wish formally to impose such a procedure. The members of the Working Group would participate in their personal capacities and it would not be appropriate to try to force the participants to reach their conclusions by consensus on every single issue, especially as the Working Group would not be making decisions but only providing recommendations.

20. The Convenor of CCISUA announced the Co-ordinating Committee's decision to participate, on a provisional basis, in the Working Group on the comprehensive review.

Discussion by the Commission

21. The Commission regretted that the staff bodies had not been represented at the second special session and stressed the importance of staff participation in its work and in the comprehensive review, expressing the hope that the staff representatives would return in the very near future. It noted two letters received from FICSA and CCISUA, giving their ideas, inter alia, for the participation of those staff bodies in the comprehensive review. The Commission
also took note of the statement by the Secretary-General of the United Nations which he referred to the importance the Administrative Committee on Co-ordination (ACC) attached to the participation of staff, both in the work of the Commission and in the comprehensive review in particular, and in which he underscored the General Assembly's request to the Commission to review its rules of procedure. With respect to its working methods, the Commission considered that further improvements were necessary. The Commission had made a clear distinction between the consultative process on the one hand and the taking of decisions on the other. It reaffirmed the need for and, validity of executive sessions to enable it to take its decisions in full independence. The Commission recognized that, in order to achieve more transparency and improve dialogue, exhaustive discussion should take place in open sessions and executive sessions should be limited in duration, concentrating on final decisions. Some members expressed the view, however, that it might be possible to take some decisions in open session. It further concluded that the matter should be kept under review. The Commission recalled that questions relating to the working methods of the Commission had been discussed and a number of decisions adopted at the twenty-seventh and twenty-eighth sessions and the second special session. Nevertheless, the Commission recognized that, given the special nature of the comprehensive review, it would be appropriate to take additional exceptional steps with regard to the decision-making process for the comprehensive review. It was further noted that the requirements of General Assembly resolution 43/226 for the fullest participation of staff and organizations in all aspects and at all stages meant that there was a specific need in that regard to ensure full transparency in the Commission's work on the comprehensive review.

**Decisions of the Commission**

22. **At its second special session, the Commission adopted the following guidelines to supplement the working methods approved at its twenty-seventh and twenty-eighth sessions:**

   (a) The examination of facts and the consideration of relevant information and alternatives would take place in open sessions;

   (b) Executive sessions should normally be limited to taking decisions relating to the discussions referred to in subparagraph (a) above;

   (c) Time spent in executive sessions would be minimized

   (d) In the event that new material facts, alternatives or elements came to light in executive sessions, the Commission would provide an opportunity for further discussion in open session;

   (e) The Commission would keep the matter under consideration, monitor progress made in that area and review its rules of procedure as appropriate.

23. **In addition, in conjunction with its consideration of relations between the Commission and the staff, the Commission reviewed and took decisions on, the question of the organization of work on the comprehensive review. The outcome of those deliberations is reflected in volume II of the present report.**
24. The Commission decided, at its twenty-ninth session, in the light of the unique requirements of the comprehensive review and the provisions of General Assembly resolution 43/226, part I, paragraph 2, that representatives designated under subparagraph 1 (a) of rule 37 of the ICSC rules of procedure could attend the Commission's meetings at which substantive determinations were made in respect of decisions on the comprehensive review. That decision was without prejudice to all existing provisions of the rules of procedure of the Commission.
CHAPTER III
PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS

A. Pensionable remuneration for the Professional and higher categories

25. At its thirtieth session, the Commission considered the issue of pensionable remuneration for the Professional and higher categories. It was recalled at the outset that, at its forty-first session, the General Assembly had approved a revised scale of pensionable remuneration for the Professional and higher categories effective 1 April 1987. At the same time, it had established a procedure for adjusting these amounts and requested the Commission, in co-operation with the United Nations Joint Staff Pension Board (UNJSPB), to monitor United Nations pensionable remuneration levels and those of United States federal civil service employees in comparable grades and to report, as appropriate, to the Assembly.

Statements by the representatives of the United Nations Joint Staff Pension Board

26. The Chairman of UNJSPB informed the Commission of the position taken by the Board, at its recently concluded thirty-eighth session, regarding a possible modification of the procedure for adjusting pensionable remuneration for the Professional and higher categories, pending completion of the 1990 review. There was broad agreement within the Board that the 1.22 multiplicative factor applied under the current adjustment procedure was no longer justified. There was little support for a suspension of the adjustment procedure, as it was felt that such action would run counter to the income replacement criteria set out in General Assembly resolution 41/208 of 11 December 1986. Some favoured a change to the regulations of the United Nations Joint Staff Pension Fund (UNJSPF) to correct that part of the widening in the ratio of United Nations to United States pensionable remuneration caused by the application of the 1.22 multiplicative factor, on the occasion of future increases. Others felt, for legal and other reasons, that such a change in the regulations to remove this factor should only apply prospectively. The Board agreed that the entire matter should be examined in-depth in the context of the 1990 review of pensionable remuneration.

27. The Secretary of the Pension Board in his comments on various aspects of the interim adjustment procedure noted that the comparison of United Nations/United States pensionable remuneration ratios was carried out on the basis of spot readings. He questioned the appropriateness of comparing these spot ratios with the annual average United Nations/United States net remuneration ratios since only the latter were discounted by the cost-of-living differential factor between New York and Washington, D.C. The relationship of pensionable remuneration ratio to the net remuneration margin would assume a different dimension if the cost-of-living differential factor was taken into account in both comparisons.

Views of the organizations

28. The Chairman of CCAQ underlined the importance that the organizations attached to this issue. He pointed out that although there had been a widening of the ratio of United Nations to United States pensionable remuneration, there had been little movement in income replacement ratios on the United Nations side and no change at
all on the United States side. He indicated, that the current pens enable remuneration ratio of 130.1 in the ICSC secretariat's document was based on a spot rate approach if an annual average was used instead, as was the practice for the calculation of the net remuneration margin, the results were widely different. The average ratio for the period 1 October 1988 to 30 September 1989 was 125.8, as compared with 124 for the period 1 October 1986 to 30 September 1987. The situation was therefore less alarming than it might seem. CCAQ agreed, however, that some modification of the adjustment procedure was warranted at this time. The organizations were clearly opposed to an eventual suspension of the adjustment procedure. Many initially preferred limiting any corrective action to the elimination of the 1.22 factor for future increases. On balance, CCAQ agreed, with some reluctance, to support such a measure, combined with a reduction in the next increase in pensionable remuneration to remove the past impact of the 1.22 factor. He wished to, emphasize that CCAQ saw this as a one-time measure and would firmly oppose making this approach a permanent element of a future adjustment system.

Discussion by the Commission

29. The Commission recalled that the adjustment procedure approved by the General Assembly provided for the scale of pensionable remuneration to be revised by reference to and on the same date as increases in net remuneration for United Nations officials in the Professional and higher categories in New York, Noting that remuneration was adjusted on a net basis while, since pensions were taxable in most countries, pensionable remuneration was determined on a gross basis, the Assembly decided that adjustments to pensionable remuneration would also need, to be made on a gross basis. By comparison of the movement in United Nations net and gross remuneration, it was determined that a 5 per cent movement in the scale of pensionable remuneration corresponded to a 4.1 per cent adjustment in New York net remuneration (a 1.22 ratio). It was therefore decided that adjustments in pensionable remuneration would be based on the weighted average percentage movement in New York net remuneration multiplied by the above 1.22 factor.

30. The Commission noted that, since the implementation of the revised United Nations scale of pensionable remuneration on 1 April 1987, New York net remuneration had increased three times as a result of changes in post adjustment. This had resulted in a cumulative increase of 12.7 per cent, which, through the application of the 1.22 multiplicative factor, had produced a 15.5 per cent cumulative increase in pensionable remuneration. Over the same period, there had been two increases in pensionable remuneration (gross salary) in the United States federal civil service, for a cumulative increase of 6.2 per cent. United Nations pensionable remuneration had thus been adjusted by a cumulative 9.3 percentage points beyond the adjustment applied to the comparator's scale.

31. The Commission notes that the above circumstances had led to a widening in the ratio of United Nations to United States pensionable remuneration from 119.7 when the April 1987 scale was adopted to 130.1 in May 1989. This widening in the United Nations/United States ratio of pensionable remuneration was due primarily to two factors: (a) the increase in the Washington/New York cost-of-living differential from 4.5 per cent in 1986 to 12.1 per cent in May 1989; and (b) the 1.22 multiplicative factor applied to the weighted average movement in United Nations net remuneration amounts in New York under the adjustment procedure for pensionable remuneration.
32. The Commission also noted that federal income tax brackets in the United States were now adjusted once a year for inflation. Consequently, salary increases corresponding to cost-of-living increases were no longer taxed at a higher rate. As a result, the percentage increase in net salary was virtually the same as the percentage increase in gross salary. The above development suggested that the use of the 1.22 multiplicative factor to derive the percentage increase in United Nations pensionable remuneration from the percentage increase in New York net remuneration was no longer justified.

33. In reviewing this issue, the Commission further observed that income replacement ratios for United Nations staff had remained very close to their level when the General Assembly approved the revised scale of pensionable remuneration.

34. In the light of the foregoing, the Commission considered whether a modification should be made in the current adjustment procedure for pensionable remuneration, pending completion of the review of pensionable remuneration scheduled for 1990. The Commission examined four alternative courses of action: (a) that no change be made at this time in the existing adjustment procedure; (b) that any adjustment in pensionable remuneration due before completion of the 1990 review be made without application of the 1.22 factor, consideration of a further modification being deferred until 1990; (c) that, together with the modification in (b) above, the next upward adjustment in pensionable remuneration be reduced by 2.8 percentage points in order to remove the past impact of the 1.22 factor; and (d) that the current adjustment procedure be suspended, pending completion of the 1990 review.

35. In reviewing the above four options, the Commission bore in mind the view expressed by the Pension Board that, while the 1.22 multiplicative factor should no longer be applied, option (d) should not be pursued. Based on the information in paragraph 32 above, most members of the Commission favoured option (c). Some were of the opinion that the current ratio between United Nations and United States pensionable remuneration was cause for concern and that action should be taken to prevent any further widening in the ratio pending completion of the 1990 review. They therefore supported option (d). One member regretted that the General Assembly had not established a margin range for pensionable remuneration when it approved the current adjustment procedure, as such a measure would have limited the increase in the pensionable remuneration ratio. On balance, the Commission, by a majority, agreed to recommend option (c).

36. The Commission next considered the impact of the anticipated increase in New York post adjustment in the first half of 1990 on pensionable remuneration under option (c). It was noted that if the class 11 post adjustment were implemented in New York and a 3.6 per cent increase granted to United States federal civil service employees, the pensionable remuneration ratio would fall to 127.9. Some members were of the view that this level was still too high in relation to the ratio of 119.7 at the time the April 1987 scale was approved. Others believed that the ratio must be examined in the light of the income replacement principle under the adjustment procedure approved by the Assembly in resolution 41/208.

37. The Commission further noted that, as related in paragraph 125 of volume II of the present report, a majority of members had recommended a 5 per cent salary increase. If a corresponding increase in pensionable remuneration were effected, the United Nations/United States pensionable remuneration ratio would be
approximately 133, taking into account also the change in the post adjustment classification for New York, the anticipated 3.6 per cent increase in the United States federal civil service salaries and the implementation of the 2.8 percentage points reductive factor recommended in paragraph 42 below. Some members expressed very serious concern over this potential development and requested the Assembly to bear this point in mind when reviewing the recommendation for a 5 per cent general increase. Others, however, were of the view that if the 5 per cent salary increase were not accompanied by an increase in pensionable remuneration, such a measure, would run counter to the income replacement criteria embodied in resolution 41/208. They added that this would be the first time a salary increase would not be accompanied by an increase in pensionable remuneration, thus leaving a portion of income non-pensionable. It was also noted that in this case the current income replacement ratio of United Nations gross pensions to net remuneration of 57.5 per cent would fall below 53 per cent, whereas the corresponding ratio for the United States federal civil service would remain at 59.8 per cent since; the last comprehensive review of pensionable remuneration. It was pointed out that the income replacement ratio of United Nations net pensions to net remuneration would also decrease similarly.

38. Concern was expressed by some members regarding any legal implications associated with option (c). The Commission was informed by its secretariat that this concern was also raised in the Pension Board. The Legal Officer in the Pension Fund secretariat and a Legal Officer from the United Nations Office of Legal Affairs who was attending the Board session as a representative of the Secretary-General indicated that they did not foresee any legal difficulties with prospective application of any of the corrective measures being considered, including option (c).

39. Some members of the Commission could not associate themselves with the recommendation made by the majority as they did not have full legal implications of the implementation of various options.

40. One member of the Commission could not associate himself with the report on this issue as, in his view, it did not accurately reflect the debate on an important matter concerning the measures to be taken against the widening of the ratio between the pensionable remuneration of, the United Nations officials from the Professional and higher categories and their counterparts in the comparator civil service.

41. There was general support for a proposal by one member that the Commission review pensionable remuneration levels annually and report thereon to the Assembly.

Decisions and recommendations of the Commission

42. The Commission decided to recommend to the General Assembly that any adjustment in pensionable-remuneration due before completion of the 1990 review be made without application of the 1.22 multiplicative factor and that, in addition, the first such adjustment be reduced by 2.8 percentage points in order to remove the past impact of the 1.222 factor. The Commission also decided to consider the issue of pensionable remuneration levels on an annual basis and to report thereon to the Assembly.
43. The Commission noted that the reduction by 2.8 percentage points from the first adjustment in pensionable remuneration for the Professional and higher categories of staff would result in a one-time saving estimated at $5 million. The Commission further noted that the elimination of the 1.22 multiplicative factor from all future adjustments of pensionable remuneration would result in savings estimated at $1.8 million under the assumption of 5 per cent inflation per annum in New York. The above estimates were arrived at on the basis of the rates of pension contributions in effect from 1 July 1989.

B. Report of the United Nations Joint Staff Pension Board on the work of its thirty-eighth session: items of interest to the Commission

44. The Commission was informed that UNJSPB had considered a number of items at its recently concluded thirty-eighth session of interest to the Commission. The report of UNJSPB on the work of its thirty-eighth session dealing with these issues was submitted to the Commission. The Commission's considerations of these issues is reported below.

Consideration by the Commission

1. Proposal to establish a pension purchasing power protection fund for staff of the International Telecommunication Union in the Professional and higher categories

45. The Commission noted that the Plenipotentiary Conference of ITU at its recent session at Nice, France, had adopted resolution COMS/1 concerning adjustment of pensions of ITU staff. In the resolution the Conference, inter alia, instructed the Administrative Council

(a) To follow the development of the situation carefully in order to ensure that ITU views were fully and appropriately represented in the common system bodies responsible for pension matters;

(b) To take, at its session in 1991, appropriate action to secure for ITU staff retiring in any country in the world pension benefits comparable to those prevailing at the base of the system (New York);

(c) To envisage the implementation of any scheme protecting the purchasing power of pensions that was found to be compatible with the common system.

The Conference had further instructed the Secretary-General of ITU to transmit the text of the resolution to the Secretary-General of the United Nations and to the United Nations bodies responsible for staff conditions of service and remuneration, including pensions.

46. The Secretary-General of ITU had transmitted to the Secretary of UNJSPB a copy of the above-mentioned resolution. The Commission was not directly informed of the developments within ITU concerning these matters.
Views of the representative of the International Telecommunication Union

47. The representative of ITU invited the Commission to note that the proposed ITU scheme was not a complementary pension scheme but rather an insurance scheme, which would result in benefits to staff only under specific circumstances. On the question of the request to the ITU Secretary-General to transmit the text of the resolution to the United Nations bodies responsible for staff conditions of service and remuneration, including pensions, he informed the Commission that by this the Conference had meant the Pension Board and the General Assembly but not the Commission.

Discussion and decision of the Commission

48. The Commission noted that UNJSPB had agreed that solutions to pension problems should be sought within the United Nations Joint Staff Pension Board (UNJSPB). The Commission further noted with satisfaction that the Board had requested ITU not to proceed with implementation of its proposal to establish a pension purchasing power protection fund so that the United Nations common system would not be weakened.

49. The Commission decided to urge all organizations not to introduce policies and practices that ran counter to the commitments and obligations they had undertaken when they adopted the statute of the Commission.

2. Arrangements for the comprehensive review of pensionable remuneration to be carried out in 1990

50. The Commission noted the arrangements approved by the Board for the comprehensive review, of pensionable remuneration to be carried out by the Commission in close co-operation and consultation with the Board. It further noted that the Board had decided to establish a Preparatory Working Group, consisting of six members acting in their individual capacities, two from each of the constituent groups in the Board. The Commission was informed that the Chairman of the Pension Board had formally requested the Commission through its own Chairman to designate ICSC members to join the group so that it would become a joint Preparatory Working Group.

51. The Commission decided to designate three of its members, Messrs. Andre X. Pirson, Omar Sirry and M. A. Vellodi, to participate in their individual capacities in the deliberations of the above-mentioned Preparatory Working Group. The Commission also decided to invite a delegation designated by the Pension Board to attend the ICSC session in July 1990 to participate in the work of the Commission on this matter.

3. Monitoring of the pensionable remuneration

52. The Commission's consideration of this matter is reported in paragraphs 29 to 43 above.
4. Pensionable remuneration and consequent pensions of staff in the General Service and other locally recruited categories

53. The Commission was informed that UNJSPB at its thirty-eighth session had considered the above subject and had decided to inform the Commission and the General Assembly that it had initiated a preliminary review of a number of methodological issues, with the expectation that the Commission would be placing the comprehensive review on its work programme for 1990. The Commission decided, that in view of the importance of the subject it would place the matter on its programme of work for 1990. Some members of the Commission were also of the view that procedures for the determination of net remuneration of General Service and other locally recruited categories should be studied on a priority basis.

5. Measures to improve the actuarial balance of the fund

54. The Commission was informed of the measures the Pension Board had decided to recommend to the General Assembly to restore the actuarial imbalance of UNJSPB. Among these measures was a proposal to increase the normal retirement age under the Pension Fund regulations for new participants from age 60 to 62. It was also informed that the reasons for applying the change only to new staff members related to (a) legal concerns that elimination of the right of existing staff members to retire at age 60 without a reduction in their pension benefit might be successfully challenged before the Administrative Tribunals, and (b) the position taken by some members of the Board representing administrations and governing bodies that any change in the normal retirement age, including any consequential changes in the mandatory age of separation under the staff regulations and staff rules of the organizations, should not create difficulties as regards current recruitment programmes or human resources development plans. In this regard the Commission was also informed that CCAQ was of the view that if the age of retirement were increased for certain participants, it would be necessary to increase the age of separation for those same participants. The Commission noted CCAQ's recognition of the Pension Board's recommendation to raise the age of separation from 60 to 62 as only one element of -a delicately balanced package, which included an increase in the rate of contribution, as well as their view that the proposal would apply only to newcomers, inter alia, in recognition of personnel policy problems and acquired rights.

55. Most members of the Commission were of the view that the mandatory age of separation should be increased from age 60 to 62 for all staff. Application of the higher age limit to existing staff would not affect, the rights of existing staff to retire at age 60 without a reduction in their pension entitlements. However, in recognition of the other reasons that had led the Pension Board to limit the increase of the normal retirement age to new staff members, these members of the Commission were of the view that in the light of the Board's recommendation, all organizations should adopt age 62 as the mandatory age of separation under their Staff Regulations and Staff Rules for new staff members as a first step.

56. As the eventual goal should be to have the same mandatory age of separation applicable to all staff, the Commission was of the view that the executive heads I should demonstrate, to the maximum extent possible, flexibility in considering the retention of staff in service until age 62 taking into account their staffing objectives and needs pending a further recommendation in this regard from the Commission.
57. Some members, however, reserved their position in this regard in view of the effects of such a change on
career prospects for staff in general and for women in particular as well as those on equitable geographical
distribution.

Decision of the Commission

58. The Commission decided to recommend to the General Assembly and the legislative bodies of other
organizations of the common system that the mandatory age of separation for new staff members be increased to age
62. The Commission also decided that it would monitor the situation and report to the General Assembly as
appropriate.
CHAPTER IV
CONDITIONS OF SERVICE OF THE PROFESSIONAL
AND HIGHER CATEGORIES

A. Comprehensive review of the conditions of service of
   the Professional and higher categories

59. The Commission's consideration of this subject can be found in volume II of the present report.

B. Remuneration of the Professional and higher categories

Evolution of the margin between the net remuneration of the United States federal civil service and that of the
United Nation system

60. Under its standing mandate from the General Assembly, the Commission continued to keep under review the
relationship between the levels of net remuneration of the United Nations and the United States federal civil service,
the present comparator.

Consideration by the Commission at its twenty-ninth session

61. The Commission was informed of the estimates of the margin between the net remuneration of the United
States federal civil service and that of the United Nations system. The decision of the General Assembly in section
III, paragraph 1, of its resolution 43/226 that the average of the successive margins reported to the General Assembly
beginning with the margin period 1 October 1985 to 30 September 1986 and continuing until the submission of the
report on the margin methodology in 1990 would be maintained around the desirable mid-point of 115 of the margin
range was also brought to the attention of the Commission. The General Assembly had also decided, as an interim
measure and until the forty-fifth session of the General Assembly, that the application of the above guidelines should
not result in the granting of successive classes of post adjustment in New York at less than four-month intervals.

Views of the organizations

62. The Chairman of CCAQ said that the organizations were concerned not so much about the margin forecasts
made on the basis of class 9 post adjustment, which was implemented for New York on 1 January 1989, as about the
timing of the granting of class 10 post adjustment for New York. He added that under the "new" four-month rule
decided by the General Assembly in its resolution 43/226, class 10 post adjustment could be granted on 1 May 1989
and, as a result of that class becoming applicable in New York as at that date, the resulting margin for the current
margin period would be 113.4 and the average margin for the successive margin periods between 1 October 1985 and
30 September 1989 would be 115.8. The organizations were strongly of the view that post adjustment class 10
should be granted for New York as at 1 May 1989. The delay in granting post adjustment class 10 in New York
would have a pervasive effect on the level of indices of all other duty stations and the effect would become more
invidious if the delay exceeded the four-month waiting period stipulated by the General Assembly.
Discussion by the Commission

63. The Commission noted that on the basis of post adjustment class 9, which had been implemented for New York from 1 January 1989, the margin for the period 1 October 1988 to 30 September 1989 was estimated at 111.1. This would have resulted in a cumulative margin for the successive margin periods from 1 October 1985 to 30 September 1989 of 115.2. The Commission further noted that the application of post adjustment class 10 for New York effective 1 May 1989 would result in an estimated margin level of 113.4 for the current margin period and cumulative margin level of 115.8.

64. The Commission was informed that since the forty-third session of the General Assembly there was expectation among the organizations as well as among staff that post adjustment class 10 would be granted for New York from 1 May 1989, particularly in view of the implications of this for some of the other duty stations, which had remained at frozen post adjustment levels since 1985. This impression had been conveyed to the Fifth Committee of the General Assembly by the Chairman of the informal consultations on the basis of forecasts referred to by him when he introduced the draft resolution on the Commission's annual report.

65. The Commission noted that the post adjustment index for New York for January 1989, which would be used for the determination of post adjustment classification for May 1989, was 158.9. It further noted that in order to grant post adjustment class 10 effective May 1989 the minimum level of the index would have to be 162.6. Consequently the index for New York would have to be increased by 2.3 per cent in order to bring it to the level required to grant class 10 in New York. This would also necessitate upward adjustments of post adjustment indices of all duty stations by the same percentage, thereby defreezing some of the duty stations whose post adjustments had remained unchanged since 1985. On the other hand, if the implementation of class 10 for New York was delayed in the context of the cumulative margin range requirements these duty stations would have continued to remain frozen for a further period.

66. Bearing this in mind, the Commission was of the view that in the interest of good personnel management practice and relations with staff it would be both desirable and appropriate to grant post adjustment class 10 for New York effective May 1989. The Commission was also of the view that in granting post adjustment class 11 for New York in 1990 due regard would be paid to the General Assembly's decision that the cumulative margin be maintained around the desirable mid-point of 115.

Decision of the Commission


Consideration by the Commission session at its thirtieth session

68. As part of the Commission's consideration of this matter it was recalled that a description of the net remuneration margin methodology was reported to the General Assembly in 1985 as part of the Commission's eleventh annual report. At that time, the General Assembly was informed of the use of Washington, DC, area tax statistics as an integral part of "netting down" of United States federal civil service gross salaries. Washington, D.C., area tax statistics, based on data,
provided by the United States Internal Revenue Service (IRS) for 1983, were used in the netting down process with the resulting margins reported to the General Assembly in 1985 and 1986. With the passage of the 1986 Tax Reform Act, a restructuring of the tax system occurred and neither published national nor Washington, D.C. area tax statistics for the years after 1986 could be obtained. Consequently, as reported to the General Assembly, estimates of tax statistics produced by the United States Congressional Budget Office were used in reporting the margin in 1987 and 1988. Published national tax statistics for 1988 were not expected to become available until late 1990, at the earliest. Washington, D.C. area statistics for 1988 might become available prior to the published data, but only by special request.

69. In order to reflect Washington, P.C. area conditions, the secretariat had obtained the most recent set of Washington, D.C. area and national statistics from IRS, which relate to the 1985 tax year. It had calculated the ratio of United States federal civil service salaries at each relevant grade using Washington, D.C. area over national tax statistics to adjust the net salaries of United States federal civil service staff as currently calculated by the use of 1988 estimated national tax statistics. The results were used in the margin calculations submitted to the Commission.

Views of the organizations and the staff representatives

70. The Chairman of CCAQ, the President of FICSA and the Convenor of CCISUA too note of the margin.

Discussion and decisions of the Commission

71. The Commission took note of the procedures applied in netting down United States federal civil service salaries before comparison with United Nations net salaries. It noted that the margin for the period October 1988 to September 1989 was 111.0, calculated on the basis of the existing methodology. Using this margin figure, the average margin for the period 1985-1989 was 115.2. Details of the margin calculation are provided in annex I.

72. The Commission considered, in the context of the comprehensive review, the role of total compensation comparisons in establishing appropriate remuneration policy. In this regard, it noted that it had been reporting the non-expatriate total compensation margin to the Assembly since 1981. Accordingly, notwithstanding its recommendations on the comprehensive review, it decided to report to the Assembly the results of the current non-expatriate total compensation comparison between officials of the United States federal civil service in Washington and United Nations officials in New York in comparable positions. It therefore took note of the non-expatriate total compensation margin of 110.1 for the period October 1988 to September 1989 and decided to report this margin to the Assembly. Details of the calculation are shown in annexes II and III.

C. Matters relating to the post adjustment: report on the fourteenth session of the Advisory Committee on Post Adjustment Questions

73. At its thirtieth session, the Commission considered the report of the fourteenth session of ACPAQ as part of its ongoing responsibilities on post adjustment matters. The report dealt with various items of the cost-of-living survey methodology relating to both data collection and processing and operational
aspects of the system. Issues relating to common expenditure weights, the formula; for calculating post adjustment indexes, a-reduced list of items for pricing, treatment of out-of-area expenditures- and the use of external data sources were covered. The results of cost-of-living surveys at two major headquarters duty stations were also examined.

Views of the organizations and the staff representatives

74. The views of the organizations and staff representatives on the use of common expenditure weights, treatment of out-of-area expenditures, use of a reduced number of items in cost-of-living surveys, and the use of external data source are provided in chapter VI, volume II, of the present report, which deals with post adjustment matters.

75. The Chairman of CCAQ supported the conclusions of ACPAQ not to endorse the results of cost-of-living surveys at Geneva and Vienna owing to the technical limitations of the data utilized and the Committee's recommendation to maintain the existing indexes. CCAQ noted that the procedures for the collection of data would in future be revised under measures recommended in the context of the comprehensive review. CCAQ regretted the low rate of participation of staff despite all the efforts by the concerned administrations.

76. The Convenor of CCISUA supported the views of CCAQ stated in paragraph 75 above.

Discussion and decisions of the Commission

1. Cost-of-living survey methodology

77. The Commission considered the following aspects of the cost-of-living survey methodology with a view to simplifying them and streamlining the operation of the post adjustment systems

   (a) Use of common expenditure weights;
   
   (b) Treatment of out-of-area expenditures;
   
   (c) Use of a reduced number of items in cost-of-living surveys;
   
   (d) Use of external data sources:
   
   (e) Use of the multiplicative method for adjusting post adjustment multipliers.

The discussion and decisions of the Commission relating to the topics listed above are provided in full in chapter VI, volume II, of the present report in the context of the comprehensive review,
2. Cost-of-living survey results at Geneva and Vienna

78. The Commission examined the results of the cost-of-living surveys carried out, in October 1988 at Geneva and in November 1988 at Vienna and decided that the results of these surveys should be implemented effective 1 September 1989.

79. The Commission noted that, because of an extremely low rate of response by staff at Geneva and Vienna to survey questionnaires, new expenditure patterns could not be established and as a result weighting patterns had to be derived from previous surveys, with some adjustments, in order to process the survey data. Some members felt that the existing post adjustment indexes should not be revised on the basis of survey data, which were unrepresentative, noting that the Commission's own, advisory body, ACPAQ, had drawn attention to the technical limitations of the expenditure weights. It was the conclusion of these members that the existing indexes should be maintained. One member was of the view that it, would be inopportune to take into account the minor differences between the survey results and the existing post adjustment indexes at this stage when the remuneration system was undergoing a comprehensive review. The Commission noted, however, that established technical standards had been maintained in price collection and processing of the data in both surveys. The Commission also took into account the implication of low response rates for future surveys. On balance, the Commission was of the view that the survey results should be implemented and would thus avoid the setting of a precedent wherein low staff response rates would provide a basis for setting aside survey results. The Commission, while expressing strong concern over the low rate of response by staff, observed that it was unlikely that this type of problem would be encountered in future, owing to recommended changes in the post adjustment methodology within the scope of the comprehensive review.

D. Supplementary payments and deductions.

80. The Commission had been requested by the General Assembly to pursue its collection of information on the practice of supplementary payments and deductions and report to the Assembly at its forty-fourth session. The note prepared by the secretariat showed that 64 Member States had, after repeated requests, still not responded to the Chairman's latest inquiry. Three Member States that made supplementary payments provided further information, which was reviewed by the Commission.

Views of the organizations and the staff representatives

81. CCAQ reiterated its most forceful opposition to the practice whereby Member States paid, on a selective basis, emoluments over and above regular salary to their nationals employed in the United Nations.

82. The representative of CCISUA said that unpleasant realities were often covered over by reassuring euphemisms and such was the case here. The correct title of this item should have been "Government payments-the hidden pay-off". It was incumbent upon the staff representatives to point to government payments as evidence of the escalating cost of living in certain duty stations. CCISUA noted that, ironically, some of the Member States who were most vocal in opposing improvements in conditions of service were at the forefront of those providing such payments. More importantly, there was an ethical and moral dimension to the problem that had yet to be discussed. The Charter of the United Nations was very clear that "staff shall not seek or receive instructions from any Government or from any other authority external to the Organization". In addition, each Member pledged not to seek to influence staff members in the discharge of their duties. Staff regulation 1.6 was explicit that no remuneration could be given by any Government except for war service, and that no other types of outside remuneration might be accepted by staff members except with the approval of the Secretary-General. If the Secretary-General or other executive heads had approved government payments, the Commission should
recommend that the practice stop immediately and information be provided on who had been approved for such payments. If there had been no such approval, then staff members receiving these payments were in clear violation of the Staff Rules and Regulations. If staff members were receiving supplementary payments from the Wang Corporation or IBM or Xerox, or from a third party Government, these payments would be labelled in a different way. They would be called bribes or pay-off s, but because these payments were being made by the staff member's own country, the tendency was to turn a blind eye to the obvious implications. On the one hand, there was the clear discrimination between staff doing the same level of work; on the other, the staff member receiving government payments was in the same situation as if those payments were from a private company.

83. These payments were a corrupting influence since the individual receiving them felt obligated to hide the payment and to do the bidding of the party providing it. The conflict of interest should be obvious to all. It was well known that supplementary payments were not being made to all staff members of a particular nationality. They were being made to key individuals, in key positions in the upper echelons of the United Nations. Some Governments had justified making supplementary payments on the grounds that they were provided only to officials l, on secondment, who would eventually return to government service.

84. The Commission should undertake a thorough review of the secondment practices of the various organizations to determine how these practices had affected staff morale and organizational efficiency. CCISUA considered that the focus should not be, as expressed in the note of the ICSC secretariat, on what Governments intended to do regarding these payments, but on whether the individual staff members involved were violating the Staff Rules. CCISUA called upon the Commission to recommend to the Assembly that the Internal Audit Division begin investigations into these practices immediately.

85. CCISUA stated that an equally invidious and debilitating aspect of the problem, which was closely tied in with secondment policies, was the practice of governmental deductions from staff salaries with or without the agreement of the staff member concerned. Governmental payments and deductions were practices the clearly violated the spirit and letter of the Charter and the Staff Regulations. The Commission should take an unequivocal stand against them. Efforts should be made to identify those staff receiving government payments, and they should be advised of their potential violation of the rules and be asked to stop receiving such payments. There must not be a double standard of conduct, one which applied to some officials and not to others.

Discussion by the Commission

86. The Commission deplored the continued lack of response on the part of so many Member States to the requests of the Chairman for information. It was pointed out that among those Member States which had not replied were four permanent members of the Security Council. The Commission considered that Member States who made such
payments or deductions were in flagrant contravention of the Charter of the United Nations as well as the Staff Rules and Regulations of all the organizations. In this connection, the Commission was of the view that the executive heads had no done their utmost to ascertain the dimensions of the problem in their organizations. The Chairman recalled his own discussions with executive heads ho had expressed to him their inability to put an end to such practices.

87. The Commission agreed that this was a thorny problem that had to date eluded solution and was likely to persist unless more aggressive, imaginative action was undertaken. The Commission explored various possibilities ranging from recommending that the executive heads take disciplinary action against those staff members who received supplementary payments to contacting Member States at the highest levels.

88. Some Commission members mentioned the problem of those at the ASG/USG levels in the organizations who were accepting supplementary payments and considered that it was these staff members who should set an example by refusing to accept, let alone ask for, supplementary payments.

89. The Commission was also reminded of those Member States which deducted the salaries of United Nations system staff.

90. In the light of its discussion, the Commission agreed that it must continue to pursue its inquiry into this matter. It also took the following decisions:

(a) To report to the General Assembly that 64 Member States had not provided information on supplementary payments and deductions as at 30 June 1989 and to continue to press those Member States which had not replied for information,

(b) To note that the three Member States that make supplementary equalization payments on the basis of legal/administrative arrangements continue to do so

(c) To urge that specific information, on the amounts of supplementary payments be provided to the Chairman of ICSC in time for him to report to the General Assembly at its forty-fifth session;

(d) To reiterate its position that supplementary payments and deductions by Member States contravene the Staff Regulations of the Organization;

(e) To recall its previous request to the General Assembly to take appropriate action in order to discourage supplementary payments and deductions; 7/

(f) To request that the Secretary-General together with the other executive heads contact Member States, if necessary at the highest level, to eliminate such practices

(g) To recommend that the executive heads take all necessary steps, as well as any additional measures, with respect to this matter;

(h) To invite the executive heads to bring the matter to the attention of the governing bodies of the organizations with the request that they call for an end to the practice of both supplementary payments and deductions;

(i) To report to the General Assembly at its forty-fifth-session on progress made.
CHAPTER V

REMUNERATION OF THE GENERAL SERVICE AND RELATED CATEGORIES

Survey of best prevailing conditions of service
for the General Service category in Paris.

91. As part of its responsibilities under article 12 of its statute, the Commission conducted a survey of best prevailing conditions of service for the General Service category in Paris. The salary scales recommended, by the Commission to the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) are reproduced in annex IV. The financial implications of the recommendations are estimated at $3.46 million per annum, using the United Nations operational rate of exchange in effect on 1 March 1989.
CHAPTER VI

ACTION TAKEN BY THE COMMISSION UNDER ARTICLE 17 OF ITS STATUTE

Implementation of the recommendations and decisions of the Commission

92. In accordance with its mandate under article 17 of its statute, the Commission continued to monitor the implementation of its decisions and recommendations by the organizations. As had been reported to the General Assembly in the Commission's twelfth annual report, the organizations were required to submit detailed information on the matter once every three years, while in the interim drawing the Commission's attention to important unresolved issues, in particular with respect to personnel policies. The secretariat continued to report annually on that matter to the Commission in accordance with its prior decision.

Views of the organizations

93. The Chairman of CCAQ noted that the document prepared by the ICSC secretariat confirmed the largely uniform implementation by the organizations of ICSC decisions in the area of salaries and allowances (arts. 10-12 of the ICSC statute). He added that the reasons why some organizations had not been able to implement the Commission's recommendations regarding job classification, recruitment policy, training and so on were not explained clearly to the Commission. In many instances, the organizations had indicated why they would be unable to implement, particular recommendation while the subject was still under consideration by the Commission. The Chairman of CCAQ suggested that the CCAQ secretariat work together with the ICSC secretariat to clarify some of the recommendations. He further recommended that, in future, check-lists submitted to the organizations on the subject be prepared jointly by the two secretariats.

Discussion by the Commission

94. The Commission noted, that there were some differences among the organizations with respect to the implementation of the Commission's recommendations on support for staff with disabled children, as outlined in its eleventh annual report. It also noted that those recommendations had specifically allowed some discretion to the executive heads of the organizations and, therefore, some differences were to be expected as long as they were within the Commission's guidelines. The Commission also took note of the explanation provided by the Chairman of CCAQ. The fact that several organizations had not introduced the provisions for accelerated home leave for staff experiencing temporary housing shortages since those organizations had been awaiting the results of inter-agency consultation before promulgating the entitlement. The Commission noted with satisfaction that at the consultations had now been completed and that the organizations had issued a circular confirming the implementation details.

95. The Commission took note of the fact that the organizations were no longer extending the entitlement of pre-departure expenses to separating staff and of their view that it would be appropriate to await the recommendations of the Commission in that context since such expenses would be considered in the comprehensive review. The Commission nevertheless considered that it was important to request the organizations concerned to discontinue reimbursement of
pre-departure expenses upon separation of service, pending the outcome of the Commission's deliberations on that issue as part of the comprehensive review.

96. The Commission further noted that the recommendations and decisions contained in its annual report had been transmitted to the organizations by the Secretary-General of the United Nations in accordance with article 17 of its statute. Decisions promulgated by the Chairman under authority delegated from the Commission had been transmitted to the organizations directly. The Commission did not, however, have complete information as to whether executive heads had submitted all recommendations and decisions to their governing bodies.

Decisions of the Commission

97. The Commission decided

(a) To request the organizations concerned to discontinue reimbursement of pre-departure expenses upon separation from service

(b) To reiterate its decisions and recommendations on job classification, recruitment policy, training, career and promotion policy;

(c) To request organizations that had not yet applied the common classification of occupational groups to existing jobs to extend the coding to such jobs and to report thereon to the Commission in 1992;

(d) To request organizations that had not already done so to implement the Master Standard and Tier II standards to the fullest extent possible and to report thereon to the Commission in 1992;

(e) To request organizations that had not yet done so to establish links between the common classification of occupational groups, roster codes and skills inventories;

(f) To urge organizations that applied linked grades to implement the Commission's recommendations in that area;

(g) To urge organizations further to harmonize and co-ordinate their efforts in training and recruitment and to enhance the inter-organizational exchange of staff with a view to increasing mobility;

(h) To request its secretariat and the organizations to report on selected topics each year and to report in detail on all relevant decisions and recommendations of the Commission in 1992;

(i) To take note of the decision of the Governing Bodies of the World Intellectual Property Organization (WIPO) abolishing the take-home-pay protection under article 3.1 bis of its Staff Regulations for future staff, while maintaining it for staff in service until a definitive solution to the problem of currency fluctuations was found;
(j) To re-examine the WIPO situation after solutions to the problem of currency fluctuations had been adopted in the context of the comprehensive review:

(k) To request its secretariat review, in consultation with the CCAQ secretariat, alternative ways of reporting in the future on the implementation by the organizations of the Commission's decisions and recommendations.

Notes

1/ ILO, TAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WLPO, IAEA and UNIDO

2/ GATT and FAD.


6/ Ibid., Forty-third Session, Supplement No. 30 (A/43/30), para. 31 (c)

7/ Ibid., para. 31 (d).


ANNEX I

Comparison of net remuneration of United Nations officials in New York and United States officials in Washington, D.C. at step I of each grade

(October 1988-September 1989)

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<thead>
<tr>
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<td>GS 12/1 29 331</td>
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<td>GS 16/1 59 378</td>
</tr>
<tr>
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<td>D-1/1</td>
<td>72 425</td>
<td>GS 17/1 59 314</td>
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<td>GS 18/1 59 314</td>
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<tr>
<td></td>
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<td>SES 6 65 008</td>
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</table>

Weighted average ratio, adjusted for cost of living: 111.0

a/ Includes post adjustment of three months at class 8 (multiplier 48), four months at class 9 (multiplier 55) and five months at class 10 (multiplier 63).

b/ Based on published salary rates effective 1 January 1988 and a 4.1 per cent increase effective 1 January 1989 for three months and nine months respectively, 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 at Headquarters and established offices as at 31 December 1987.

d/ Limited to the ceiling on the rates of basin pay under the General Schedule.
## ANNEX II

Details of United States and United Nations total compensation values (non-expatriate) at equivalent grades

(United States dollars)

<table>
<thead>
<tr>
<th>Grade and weight</th>
<th>Net salary / Pensionable remuneration</th>
<th>Pension benefit (as a percentage of C)</th>
<th>Pension benefit amount</th>
<th>Health-care benefit</th>
<th>Life insurance benefit</th>
<th>Total</th>
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<td>C</td>
<td>D</td>
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<td>F</td>
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<td>23 611</td>
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<td>34 240</td>
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<td>GB 13/1</td>
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<td>40 716</td>
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<td>US grade weights</td>
<td>GB 13/1</td>
<td>39 551</td>
<td>40 716</td>
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<td>GB 14/1</td>
<td>45 928</td>
<td>46 114</td>
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<td>Pension benefit (as a percentage of C)</td>
<td>Pension benefit amount</td>
<td>Health-care benefit</td>
<td>Life insurance benefit</td>
<td>Total #/b/</td>
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<td>F</td>
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<td>GS 18/1</td>
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b/ Reflects the New York/Washington cost-of-living differential of 12.1 per cent in United States net salaries only.
Annex III

Calculation of non-expatriate total compensation margin

<table>
<thead>
<tr>
<th>United Nations grade</th>
<th>Total compensation amount (United States dollars)</th>
<th>At equivalent United States grade</th>
<th>United Nations/United States (B/C) x 100</th>
<th>Weights (Percentage)</th>
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<td>A</td>
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<tr>
<td>P-1</td>
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<td>3.0</td>
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<td>39 089</td>
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<td>93 639</td>
<td>89 632</td>
<td>104.5</td>
<td>2.8</td>
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Weighted average ratio adjusted for cost-of-living difference: 110.1
### Annex IV

**Recommended net salary scale for the General Service category in Paris**

(As at 1 October 1988)

(French francs per annum)

<table>
<thead>
<tr>
<th>Grades</th>
<th>I</th>
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<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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